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Craxi Offers to Quit; President Asks Him To Stay as Caretaker

Bettino Craxi

By E.J. Dionne Jr.
New York Times Service

ROME — Prime Minister Bettino Craxi resigned Friday, bringing to an end to Italy's most durable government since World War II.

President Francesco Cossiga asked Mr. Craxi to stay on in a caretaker role and began consultations with party leaders to resolve what Mr. Craxi himself called a "delicate, difficult and even unpredictable" political situation.

Mr. Craxi, who has held office since Aug. 4, 1983, presented his resignation and that of his government to Mr. Cossiga at the baroque Quirinale Palace, built for popes but now occupied by heads of state, early on Friday evening.

The Socialist prime minister, sporting the red tie that has become his trademark, issued a combative statement and later surprised reporters by telling them to "go take a bath" when they began asking questions.

Mr. Craxi, 52, strongly defended his performance in nearly three years in office and denounced the secret parliamentary vote on Thursday that brought down his administration.

Reading his statement from the steps of the president's palace, Mr. Craxi declared: "It may appear incomprehensible that all of this can take place at a moment in the life of the country in which we are witnessing the first benefits and the first important internal and international results of a three-year period of unusual political stability."

"Through great difficulties," he added, "we have been able to defend and guarantee for the good of all."

Mr. Craxi was forced to resign after his government lost a secret ballot in the Chamber of Deputies on a local finance bill.

The margin of the loss, 293 votes against the five-party coalition to only 266 in favor, meant that from 70 to 80 deputies from the government's majority defected to bring it down.

The vote quickly became a political mystery, with the major parties of the coalition, the Christian Democrats and the Socialists, blaming each other for the government's demise.

Politicians said it was extremely difficult to predict the next steps in

See ITALY, Page 2

rish Uphold Divorce Ban By 3-2 Edge

By Francis X. Clines
New York Times Service

DUBLIN — Irish voters have ted overwhelmingly to retain the tion's ban on divorce in a severe back for the government of me Minister Garret FitzGerald. Mr. FitzGerald had personally l the fight to end the Irish Reblic's standing as the only West ropean nation in which divorce s illegal.

But in balloting Thursday, the ters rebuffed the proposal by a 3- nargin that shocked his minority alition government. The result s announced Friday.

The result may threaten both the ure of the government, formed r years ago, and the progress of licate agreement with Britain, ched last year, that allows Dub- a consultative role in the affairs Northern Ireland.

Mr. FitzGerald had portrayed proposed constitutional endment as an act of compass- n toward the estimated 70,000 uples whose marriages have led but who are trapped in a al limbo.

The prime minister also present- the amendment as a crucial mea- re of the predominantly Roman atholic Irish Republic's willing- ss to tolerate pluralistic, secular hts in its potential dealings with orthern Ireland, which has a otestant majority.

The government coalition, which nsists of Fine Gael and the La- r Party, had proposed a divorce w requiring proof that a marriage d failed for at least five years. e measure also contained provi- ns for child and spouse support.

Opposition politicians immedi- ely questioned whether Mr. Fitz- erald had a popular mandate to vern the country. But the prime inister vowed that he would "cer- inly" lead the party into national ections next year "and out of it."

"We have done our duty and put e matter to the people," he said, ut we were unable to allay the ars raised during the campaign."

The vote was the sharpest popu- r rejection of a FitzGerald initia- ve in his four years as head of the vernment.

Even his supporters conceded at he had failed disastrously by umbling on a social issue with ep religious implications in an tempt to bolster his political anding and advance his vision of progressive, changing Ireland.

Politicians said the immediate neficiaries of the vote were the

See IRISH, Page 2

Christopher Veil/Reuters

A guard closing the gate of La Prensa after the last workers left the newspaper building.

Sandinists Close Opposition Paper; Editors to Appeal to 'Highest' Level

By Stephen Kinzer
New York Times Service

MANAGUA — La Prensa, the independent newspaper that for 60 years has been a principal source of news for Nicaraguans, has been ordered shut by the Sandinist government.

The action was announced Thursday in a two-sentence letter from Captain Nelba Cecilia Blandón, head of the press censorship office.

"In accordance with instructions from above," Captain Blandón wrote, "I notify you that from this moment the newspaper La Prensa is closed for an indefinite time. With nothing more to add, I send my considerations."

The indefinite closing came less than 24 hours after the U.S. House of Representatives voted in favor of President Ronald Reagan's proposal to provide military aid to anti-government rebels.

President Daniel Ortega Saavedra, accompanied by other senior Sandinist leaders, said Thursday evening that after the House vote, the Nicaraguan government would begin to enforce the existing state-of-emergency decree "strictly and severely."

The decree was issued last Oct. 15, but there were few visible effects. Under provisions of the decree, many civil liberties are suspended and the government is given broad powers to act against those it considers enemies.

Carlos Hollmann, an editor of La Prensa, said he did not know why the government had shut the newspaper. He said he expected more information Friday.

"Closing La Prensa means that the country's situation is getting worse," Mr. Hollmann said. He said he would appeal the order "to the highest authorities."

Guards in front of La Prensa's offices said Thursday evening that the letter was received late in the afternoon by Carlos Ramírez, who was acting as editor. The guards said no government troops had occupied the premises, but had learned that soldiers might arrive Friday morning.

In the past, the government has ordered several brief closings of La Prensa as punishment for specific infractions of press laws, and on more than 20 occasions over the past two years the paper's editors have refused to publish an issue after large amounts of copy were cut by government censors. But the action Thursday night marked the first time the government has ordered the paper closed indefinitely.

In April, a senior editor of La Prensa, Jaime Chamorro Cardenal, said he had been approached and asked if he would be willing to sell the newspaper. He said he believed the offer originated with government officials seeking to silence La Prensa, and turned it down.

A leading opposition figure, Virgilio Godoy Reyes of the Independent Liberal Party, said in an interview after the closing of La Prensa that the government was "moving to silence the only press outlet that was independent of the government."

"Now we are left only with the official press and a few radio news

See PRENSA, Page 3

U.S. Aid to 'Contras' Illegal, Court Rules

The World Court ruled Friday that the United States broke international law in its support for rebels in Nicaragua and must pay reparations. In Washington, rebel leaders welcomed U.S. House approval of $100-million in aid. Page 3.

EC Rejects Sanctions Against Pretoria Now

By Steven J. Dryden
International Herald Tribune

THE HAGUE — European Community leaders, sharply divided over policy toward South Africa, rejected on Friday the immediate imposition of new sanctions against Pretoria.

Instead, they called for the release of Nelson Mandela, the imprisoned leader of the African National Congress, and the legalization of his guerrilla organization and other opposition groups, but they failed to back that demand with any clear threat of future sanctions.

The leaders of several member states expressed disappointment with the community statement on South Africa, decided after two days of talks at an EC summit meeting.

Privately, some community officials were skeptical that the initiative, which will include a visit to South Africa by the British foreign secretary, Sir Geoffrey Howe, would have any effect on the actions of the government there.

Ruud Lubbers, the Dutch prime minister and chairman of the meeting, said the foreign ministers would meet again in three months to evaluate South Africa's response, but there was disagreement over whether the community would then impose sanctions if their demands were not met.

The EC statement strongly criticized this month's declaration of a state of emergency in South Africa, and said the government's policies "could only lead to increasing repression, polarization and bloodshed." The EC also pledged to increase aid to victims of violence in the country.

But efforts by several EC nations to include a threat of automatic sanctions in the statement, if certain conditions were not met by South Africa, were blocked by Britain and West Germany — which have large investments in South Africa — and Portugal. Tens of thou-

See EC, Page 2

RELATED ARTICLES

■ A leading black journalist was taken from his home by armed men. Page 2.

■ South African strikes are a test of wills between the government and unions. Page 5.

Reuters

Prime Minister Margaret Thatcher of Britain with her foreign secretary, Sir Geoffrey Howe, speaking Friday after the European Community meeting in The Hague.

Shultz Says New Zealand Is Out of ANZUS Treaty

By Michael Richardson
International Herald Tribune

MANILA — The United States and New Zealand failed Friday to resolve differences over the ANZUS mutual defense pact, and Secretary of State George P. Shultz said that "New Zealand's actions basically take it out of the treaty structure."

Mr. Shultz spoke after a 40-minute meeting with New Zealand's prime minister, David Lange, that centered on Wellington's insistence that no nuclear-armed or nuclear-powered ships be allowed into its ports.

About 40 percent of the U.S. Navy is nuclear powered and Washington will not say, for security reasons, which of its warships carry nuclear weapons.

Mr. Shultz said that New Zealand, "in taking the position, in effect, that U.S. Naval ships cannot call at New Zealand's ports, has taken away one of the essences of the military alliance that constitutes ANZUS."

Mr. Shultz said immediately after his meeting with Mr. Lange that the U.S. and New Zealand "part company as friends, but we part company."

At a press conference later, he said: "So we were alliance partners and the action of New Zealand basically takes us out of that relationship, but that doesn't mean that we transform an ally into an enemy. The ally is still a friend."

Mr. Lange said he was told by Mr. Shultz that if the New Zealand parliament formalized the Labor government's anti-nuclear policy by passing legislation later this year, the United States would withdraw its ANZUS security guarantee for New Zealand.

"The people of New Zealand are not afraid" without their U.S. defense, Mr. Lange said. "They don't see a nuclear weapons defense of New Zealand as a security assurance; they don't see being defended by nuclear weapons as any sort of assurance."

U.S. officials said they believed this would be the first time that Washington had taken such a step to formally withdraw a U.S. guarantee to assist a treaty partner in time of trouble. They said the method of applying such a move would have to be studied carefully and discussed with Australia, the third ANZUS treaty partner.

The officials said that would be done at a meeting in San Francisco in August. The New Zealand parliament is expected to pass the government's Nuclear Free Zone Disarmament and Arms Control Bill at about that time.

Mr. Lange, who is also foreign minister, said New Zealand would not withdraw from ANZUS.

He asserted that the only "security guarantee" under ANZUS was an obligation to consult in the event of an armed attack or threat of attack against one or more of its members.

He said withdrawal of this guarantee by the United States would

See ANZUS, Page 2

West Germany May Sell Holdings in VW, Veba

By Anthony Williams
Reuters

BONN — Finance Minister Gerhard Stoltenberg, unveiling his planned budget for 1987, proposed Friday that the West German government sell its minority stakes in Volkswagen AG and Veba AG, a large energy and chemicals group.

The sale would represent a further step by Chancellor Helmut Kohl's center-right government in its program of disposing of state holdings in industry.

Stock analysts said the sale should bring in 5.4 billion Deutsche marks ($2.44 billion) at current market prices.

The federal government holds just under 20 percent of VW and has 25 percent of Veba. The state of Lower Saxony also has a 20-percent stake in VW, but Mr. Stoltenberg said the state would not sell.

Mr. Stoltenberg said at a news conference that the federal government's stake could be sold next year. For Volkswagen, he said, the sale might instead be in two stages, in 1987 and 1988.

The government has already reduced its stake in Veba by not participating in increases in the company's capital.

Analysts, who had expected a gradual divestment, said they were surprised by plans for a direct sale of the state holding in both companies.

At the news conference, Mr. Stoltenberg said his plan for VW and Veba had not yet been approved by the cabinet.

But, he said, he expected no objections from partners in the coalition government, which includes Mr. Kohl's Christian Democratic Union, the Christian Social Union of Franz Josef Strauss and the liberal Free Democratic Party.

After reducing its stake in Veba early in 1984, the government sold to the public this year its 40-percent share in VIAG, an energy, aluminum and chemicals company.

The VIAG sale reached a wide range of small investors in the West

Reuters

Gerhard Stoltenberg

German privatization program, which is in line with similar moves by other conservative governments in Western Europe.

The timing of the VW move comes as the automaker, West Germany's largest, has recovered dra-

See GERMAN, Page 2

U.S. Congress Passes Compromise On $1-Trillion Fiscal 1987 Budget

By Helen Dewar
Washington Post Service

WASHINGTON — Congress gave final approval early Friday to a compromise fiscal 1987 budget of nearly $1 trillion that slashed President Ronald Reagan's request for military funds but held out the prospect of more military funding if the president agreed to raise taxes.

The budget accord was approved by a conference committee and then ratified by 333-to-43 in the House and by voice vote in the Senate with only four members present, paving the way for Congress to adjourn for a two-week Independence Day recess.

Approval of the compromise followed a month of maneuvering over military spending and taxes, three days of intensive, closed-door talks by budget committee leaders from the two houses and a full day of haggling over final domestic spending details.

The chairman of the Senate Budget Committee, Pete V. Domenici, Republican of New Mexico, said it was "better to produce this budget resolution than not to have one at all."

White House officials in Santa Barbara, California, where the president is vacationing, said the administration was likely to accept the compromise, despite the military cutbacks.

The proposed budget defies Mr. Reagan by anticipating more spending for domestic programs and less for the military than he called for in his own budget request for next fiscal year, although it stops short of mandating tax increases that Mr. Reagan has adamantly opposed and threatened to veto.

His $320-billion military spending request was cut $28 billion; foreign aid was cut 10 percent below current levels and even more below Mr. Reagan's request; most domestic programs were frozen or trimmed rather than cut as drastically as the president proposed; virtually all of his proposals for program terminations were ignored.

But administration officials said the White House wanted to avoid a battle now because it could interfere with prospects for congressional approval of tax-overhaul legislation and because some ground could be regained, officials believed, in the appropriations process.

As a guide for congressional tax and spending decisions, the budget resolution need not be signed by the president, although he has veto power over subsequent legislation, such as appropriations bills, that result from budgetary allocations.

At least on paper, the fiscal 1987 budget pact meets the $144-billion deficit target set by last year's Gramm-Rudman-Hollings budget-control law, which requires automatic across-the-board spending cuts if the target is exceeded by $10 billion or more.

According to preliminary estimates, the deficit specified in the budget is $142.6 billion for next year, declining to $78 billion within three years.

But the budget includes assumed savings that may not be achieved, and economic assumptions that would produce a lower deficit than is now anticipated, raising the possibility of triggering the Gramm-Rudman-Hollings sanctions even if the budget specifies a deficit that is within the ceiling.

"I don't know if we've given ourselves a wholly adequate cushion," said the House majority leader, James C. Wright Jr., Democrat of Texas, in otherwise endorsing the budget as a "true compromise."

Congress is more than two months late in approving a budget resolution under deadlines set by Gramm-Rudman-Hollings.

Procedures for triggering the automatic cuts are under legal attack at the Supreme Court, with a ruling expected soon. But the law contains a fallback provision requiring Congress to make the cuts if the court knocks out the trigger, posing lawmakers with an election-year choice between imposing painful spending cuts and ignoring the law.

The budget calls for new military spending authority of $292.1 billion, considerably short of the amount estimated necessary to keep pace with inflation. This is in sharp contrast with earlier budgets

See BUDGET, Page 2

Nakasone, Hoping to Keep Post, Asks for Big Victory in Japan

By Clyde Haberman
New York Times Service

KOFU, Japan — Here in the art of wine country, Prime Minister Yasuhiro Nakasone brought a essage this week as plain as the ge campaign ribbon on his chest.

Vote for local conservative candates in the coming parliamentary elections, he said, speaking from platform set up in a department ore parking lot. But remember, he lded, as though confiding in the ofu residents gathered before m, a vote for the local fellow is a o-Nakasone vote, too.

"Please let me continue with the ork that I started three and a half ars ago," the prime minister told e crowd of several hundred peoe. "Please let me set the road for pan toward the 21st century."

The odds, as everyone in the arking lot knew, are against him.

To stay in office, Mr. Nakasone ust persuade several politicians change rules that require him to ep down as head of the governing iberal Democratic Party next fall. rhaps his only hope to squeeze t even a few extra months in wer is a big Liberal Democratic victory on July 6, when Japanese voters will elect both houses of their legislature, or Diet.

Even then, Mr. Nakasone's battle would be uphill. There is serious talk among politicians that should the party do poorly — in particular, should it fall short of a clear majority in the more important lower chamber, the House of Representatives — he may be asked to step aside immediately.

For the United States, the stakes could be important.

Politicians and foreign diplomats agree that fundamental Japanese policies are unlikely to change drastically, with or without Mr. Nakasone, because the Liberal Democrats are all but certain to cling to the power they have held for 31 years.

But the Reagan administration also has made clear that it greatly admires Mr. Nakasone, possibly more than many of his fellow politicians do. The Americans seem to like his emphasis on foreign affairs, his anti-Communist stands, his pro-West and pro-military outlook and, by Japanese standards, his relatively breezy style.

They also seem comfortable with his ardent nationalism, tempered as it is by a realism that pushes him into conciliatory economic packages whenever U.S. anger about the huge trade imbalance spills over.

In large measure, the main question in this campaign may be whether the Japanese value their prime minister as much as the Americans do. Other potential issues loom, however.

Government figures this week showed that Japan's economy had shrunk by half a percentage point in the first quarter of 1986. It was the first decline in 11 years.

Small-businessmen blame the government for allowing the yen to appreciate rapidly against the U.S. dollar, making their products more expensive and blunting their competitive edge overseas. Despite the concern, though, the issue does not seem to have galvanized voters yet.

Thus, for now, the dominant issue is Mr. Nakasone himself.

As he tours the country, he carefully adheres to postwar Japan's campaign conventions. Modern custom requires politicians to wear white gloves, showing that they

See JAPAN, Page 2

Shimpei Akamatsu/Reuters

In white gloves, Prime Minister Yasuhiro Nakasone campaigned Friday in Fujisawa city.

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In Hungary, Dead of 1956 Lie Forgotten in Weedy Cemetery

By Michael T. Kaufman
New York Times Service

BUDAPEST — In a weedy, remote corner of the huge Pest Lorinc Cemetery of Budapest lie the unmarked graves of about 280 students, workers and political figures who were hanged for their participation in the Hungarian uprising of 1956.

Hardly anyone comes to Section 301 these days, and until five years ago most of the relatives of the executed men and women did not know what had been done with their bodies.

Now, as the 30th anniversary of those events approaches, a few Hungarians, most of them relatives or comrades-in-arms of those who were executed, are urging that they be allowed to reinter the dead in family plots, or failing that, to mark their graves with names.

Almost all the graves are overgrown with high grass, bushes and wild poppies.

Somewhere in this corner is the grave of Imre Nagy, the Communist nationalist prime minister who three days before the Soviet Union intervened in force on Nov. 4 declared Hungary's political neutrality.

Here, too, are buried other political figures who in that turbulent autumn allied themselves with calls for greater Hungarian independence and more democracy. Nearby are the student leaders and street-fighting workers, all hanged within three years after Soviet tanks were used to suppress the uprising.

Overriding the issue of the graves is the Hungarian government's continuing treatment of the 1956 uprising as a taboo. In a country that has become the most liberal and innovative in the East bloc, there are no easily available novels, short stories, plays, movies or poems that refer even cryptically to the revolt and its aftermath.

According to a government report, 5,000 to 6,000 people were killed, 13,000 were wounded, 200,000 fled the country and more than 20,000 apartments were destroyed. Sources outside the government assert that 40,000 were imprisoned, detained or tortured. To this day the signs of fury can be seen in the bullet-pocked buildings.

"The time has surely come when relatives should be able to claim the bodies," said Imre Mecs, a 53-year-old electronics engineer. "There is no longer any provision in Hungarian law to keep the bodies of even executed common criminals from their families."

Mr. Mecs was one of the first to learn where the "people of 1956" were buried, and he is emotionally drawn to the place because he narrowly escaped being buried there himself.

As a 23-year-old student he, along with four workers — Jozsef Nagy, Lajos Szabo, Janos Barany and Gyorgy Ivicz — were sentenced to death for their role in street battles. In an appeal, his sentence was reduced to life imprisonment. His four colleagues were hanged. Mr. Mecs served six years in prison before he was freed in an amnesty.

As the 30th anniversary nears, a few Hungarians are urging that they be allowed to reinter the dead in family plots or to mark their graves.

It was the devotion of the mother of one of Mr. Mecs' comrades that led to the spreading knowledge about the existence of Section 301. The woman, Istvan Nagy, had learned that her son, Jozsef, and the men condemned with him were to be hanged on a day in February 1959. Stealthily and at a distance she followed their coffins from Gyuto jail to the weedy patch.

Now 87, she still comes regularly to pray at the site. She told Mr. Mecs about the secret graves, and through him other relatives of the people who were hanged learned about Section 301.

Mr. Mecs said that within the last two years several family members of those who were hanged petitioned the Ministry of Justice to have the bodies reburied in family plots. They were told, he said, that no records could be found to indicate who was buried in which grave.

Mr. Mecs finds this explanation incredible, and he recalled that while he was in jail under sentence of death he was told that people who were to be hanged had identifying metal bracelets attached to their legs.

As for erecting a tablet that would name all the victims, Mr. Mecs and some relatives regard such a possibility as very unlikely.

"Two years ago I spoke at the funeral of Miklos Peterfi, an old colleague from the 1956 revolution," Mr. Mecs said. "There were perhaps 200 people and 50 policemen, and of course I praised my friend for his patriotism and valor. The result was that I was fired from my job in a state enterprise."

"If you are discouraged from paying homage to people at private funerals it is hard to imagine that you can erect a public tablet," Mr. Mecs said. He now works as a private consultant.

A number of people in Hungary's amorphous liberal opposition believe that the efforts to keep obscure the events of 1956 relate directly to the life and myth of Janos Kadar, the 76-year-old party leader who first grasped the reins of power as the Soviet forces arrived.

Since then he has gradually moved his country on a path of economic liberalization, adopting some of the changes first proposed by those calling for democracy in 1956, measures such as the recently enacted provision for the election of factory directors by workers.

Mr. Kadar has unquestionably gained popular support since carrying out policies of reconciliation in the late 1960s. At that time he shifted a key political slogan from "Those who are not with us are against us" to "Those who are not against us are with us."

But, according to several of the dissidents, Mr. Kadar may well be haunted by the events of years ago. These men and women point out that in the Stalinist 1950s, when Hungary was ruled by Matyas Rakosi, Mr. Kadar was in jail with Nagy and others whose imprisonments and executions he later authorized.

Fighting Flares in Camps in Beirut Despite Action on Syrian Peace Plan

Reuters

BEIRUT — Fighting flared Friday at a Palestinian refugee camp and on the streets of Moslem West Beirut, just as the first moves to implement a new Syrian-backed peace plan were made.

Security sources said initial casualty reports showed at least one person was killed when attempts to halt a five-week "camps war" and end militia anarchy in the western sector were shaken by fresh clashes.

Explosions from artillery shells and rocket-propelled grenades echoed across the city as Shiite Moslem and Palestinian gunmen fought at close range at Burj al-Brajneh, one of three devastated settlements on the edge of the Moslem enclave.

Clashes also erupted among members of Lebanon's Syrian Nationalist Social Party on city streets, the sources said.

The flare-up occurred as the western sector's Shiite Amal movement and the Druze-led Progressive Socialist Party locked up offices used as militia strongpoints.

Several hundred Amal and Socialist offices are scattered throughout West Beirut, and their closure marked the first step in a Syrian-mediated pact to end Moslem feuding.

A special security force of police and soldiers was due to begin patrolling West Beirut in armored vehicles Saturday to enforce the new peace drive.

A cease-fire in the Shiite-Palestinian fighting was announced in Damascus in mid-June after 150 people died in battles as Shiite fighters tried to prevent a resurgence of Palestinian power.

■ World Cup Reaction

Lebanese Christians have reacted to France's defeat by West Germany in Mexico's World Cup semi-final by circulating mock "death notices," Reuters reported from Beirut.

Many Lebanese Christians are sentimentally attached to France, but Wednesday's 2-0 defeat prompted criticism of French policy on Lebanon.

"Normally, people would have been upset by the French defeat, but this year some people wanted to show that they disapprove of what they see as France's political abandonment of Lebanon," said an East Beirut resident.

A printed notice headed by a cross said: "He who believes in France is dead."

East Beirut's conservative French newspaper, Le Reveil, published an editorial linking the Mexico result with the Lebanese policies of France's new rightist government.

Discussing demonstrations after the French defeat, it said: "For some time France has been giving the impression of wishing to disengage itself from Lebanon and this follows the nomination of Jacques Chirac."

EC: *Sanctions on Pretoria Rejected*

(Continued from Page 1)

sands of Portuguese live in South Africa.

The statement said that within the next three months, the EC will begin consultations with other industrialized countries, which officials said included the United States and Japan, "on further measures which might be needed." The measures would cover "in particular a ban on new investments, and the import of coal, iron, steel and gold coins from South Africa.

Mr. Lubbers said there was an "understanding" among all the 12 EC leaders that some form of sanctions would be applied if the community conditions were not met by South Africa.

"The principle of the boycott cannot be rejected at this stage," Mr. Lubbers said. Mentioning West Germany and Britain by name, he added that no country could say later, "We agreed in The Hague, but now we have changed our mind."

However, his interpretation of the EC statement was disputed by both Prime Minister Margaret Thatcher of Britain and Chancellor Helmut Kohl of West Germany.

Mrs. Thatcher refused to commit Britain to the imposition of sanctions at some future date, saying only that she understood that "further measures were not excluded."

She added, however, that "there is no ultimatum" for South Africa.

Mr. Kohl said that "there are no sanctions decided" and "no ultimatum" to be presented to the South African government.

President François Mitterrand of France said his interpretation of the statement was that "no country would exclude the implementation of sanctions" if the mission of Sir Geoffrey was considered a failure.

Both Prime Minister Garret Fitzgerald of Ireland and Prime Minister Poul Schluter of Denmark said they were disappointed by the EC agreement, and said they would have preferred an agreement on mandatory sanctions.

■ Strict Curfew Imposed

The police have clamped the toughest local restrictions under the state of emergency on the tribal homeland of KwaNdebele, imposing a curfew and forbidding anyone to "play, loiter or aimlessly remain" in the streets, United Press International reported Friday from Johannesburg.

BUDGET: *It's Approved*

(Continued from Page 1)

that gave the Defense Department above-inflation increases that added up to a near-doubling of the military budget in the last six years.

The budget would allow an increase in current military appropriations of about $5 billion but would chop nearly $28 billion from Reagan's $320 billion request for next fiscal year, which envisioned an above-inflation increase of about 8 percent.

In their separate versions of the budget resolution approved earlier in the year, the House agreed to $285 billion for the military, the Senate $301 billion.

The compromise sets up a contingency fund of $4.8 billion for next year that would be available to the president for "unmet critical needs" if Mr. Reagan requests and Congress approves taxes, user fees, asset sales or spending cuts to offset the additional cost.

Two-thirds of the additional outlays could go for defense, which would drive the spending authority figure up to $299 billion, enough to cover the cost of inflation but not much more.

Although tax increases are not specified in the agreement because of House Democratic queasiness over backing any increases opposed by Mr. Reagan, it is considered unlikely that Congress would go along with any of the alternatives.

The budget assumes a full cost-of-living increase for federal retirees as well as Social Security recipients; federal retirees' pensions were frozen last year.

For Benoc/Reuters

Prime Minister David Lange of New Zealand, left, delivered his critical speech to ASEAN foreign ministers while the U.S. secretary of state, George P. Shultz, listened.

ANZUS: *Shultz and Lange Clash*

(Continued from Page 1)

be "spectacular" but would only have a short-term effect.

He did not believe it would lead to "an acrimonious relationship" between the two countries and he said New Zealand would continue to carry out its conventional defense obligations in the South Pacific.

Mr. Shultz, speaking at a joint press conference with foreign ministers, or their substitutes, from the Association of Southeast Asian Nations, Australia, Canada, the European Community, Japan and New Zealand, said that if the New Zealand policy spread, it would cripple non-Communist security alliances that were part of a network of nuclear deterrence against the Soviet Union.

He said that if the United States allowed a deviation in one place to its policy of neither confirming or denying the presence of nuclear weapons, "we deviate all over the world. So we have to have a policy that is basically consistent. And we do."

However, Salvadore H. Laurel, foreign minister of the Philippines, which like New Zealand has a mutual defense pact with the United States, appeared to contradict Mr. Shultz's statement when he said that the United States was not supposed to bring nuclear weapons into its naval or air bases in the Philippines "without the consent and agreement of the Philippine government."

But U.S. officials, questioned afterward, were adamant that there was no such agreement.

The officials also said that U.S. naval vessels were able to call at ASEAN countries, including some that were nonaligned, without questions being raised about whether the ships were nuclear-capable.

U.S. officials said there would be costs for New Zealand in addition to withdrawal of the U.S. security guarantee.

They would probably include a downgrading when the Pentagon considered any New Zealand request for purchase of U.S. military equipment.

The U.S. administration would also be unlikely to defend or promote New Zealand's economic interests if they were challenged in Congress.

Mr. Shultz said he hoped discussion could be continued with New Zealand "and perhaps at some future time it will be possible to rearrange things, and then the structure will be there."

EC Rebuffs Aide's Suit of Harassment

The Associated Press

WASHINGTON — The European Commission has denied charges by a former secretary who sued the organization and the leader of its delegation in Washington alleging sexual harassment and breach of contract.

A federal judge on Monday will hear the organization's request for dismissal of the case brought by Ingrid Horton in her $2.75-million suit against Sir Roy Denman. She was dismissed on Dec. 23, 1985.

"Mrs. Horton's professional conduct was the subject of an internal disciplinary proceeding," the commission, executive body of the European Community, said Thursday. "It did not find in favor of Mrs. Horton."

U.S. District Judge Charles R. Richey has scheduled oral arguments Monday on the request to dismiss eight of the nine charges brought by Mrs. Horton and for a verdict in favor of the EC on the breach-of-contract complaint.

Mrs. Horton, of Britain, alleged in court papers that in nearly five years of employment at the Washington mission, she was "a victim of sexual harassment and abuse in that Sir Roy Denman assaulted and battered her both verbally and physically in unwanted and unsolicited attempts to engage in sexual contact, sexual acts and sexual intercourse."

She charged violation of human rights, unlawful employment practices, wrongful discharge, intentional infliction of emotional distress, assault and battery, false imprisonment, breach of contract, interference with contract and conspiracy.

The commission, in documents filed with the court, exercised its diplomatic immunity on all but breach of contract. Sir Roy refused to waive his immunity for any of the charges.

A spokesman at the commission's Washington office said Sir Roy had no comment on the case.

The EC said the court did not have jurisdiction to consider the charges because its U.S. mission has full diplomatic immunity.

The court was told that Mrs. Horton was given three months' notice and severance pay.

WORLD BRIEFS

Lawyer Acquitted in '71 Prison Death

SAN RAFAEL, California (AP) — Stephen Bingham, a [illegible] fugitive attorney, was acquitted Friday of murder and conspiracy by a jury that refused to hold him responsible for providing the gun that ignited a 1971 San Quentin riot in which six persons were killed.

The Marin County Superior Court jury tried Mr. Bingham on [illegible] counts of murder and one of conspiracy for allegedly giving a [illegible] to a militant inmate, George Jackson, during an attorney-client visit Aug. 21, 1971.

The prosecution said Jackson hid the gun and two ammunition [illegible] under an afro wig, then used it to force guards to release [illegible] other inmates in his maximum security cellblock. Mr. Bingham [illegible] spent most of the next 13 years in Paris. He surrendered in 1984.

Blast at Italian Chemical Plant Hurts [illegible]

CORREGGIO, Italy (AP) — Two workers were hospitalized and [illegible] others were treated for eye irritation after an explosion at a [illegible] factory owned by a U.S. company, local officials said Friday.

The explosion sent a chemical cloud over the outskirts of Correggio, [illegible] northern Italy. Fire fighters and local officials said that the chemical [illegible] leaked Thursday night from the Corradini factory had posed no danger [illegible] Correggio's 21,000 residents.

The chemical was described as a sort of tear gas, heavier than air. [illegible] factory, which is owned by the Dow Chemical Co., produces [illegible] thane. According to preliminary reports, the explosion occurred [illegible] ing the malfunction of a cooling system. The workers who were [illegible] ized suffered from burning eyes and throats, doctors said.

U.S. Airlines Exempt From Bias [illegible]

WASHINGTON (AP) — The Supreme Court ruled Friday that airlines may discriminate against the disabled, in a 6-3 finding that a federal law protecting the rights of the handicapped does not apply to air travelers.

Lewis F. Powell Jr.

Justice Lewis F. Powell, writing for the court, said airlines are exempt from a legal provision that revokes federal aid to those who discriminate against the handicapped. Commercial airlines do not receive federal aid directly, he said, although they may benefit indirectly from aid to airports.

The court overturned a 1985 ruling by the U.S. Circuit Court of Appeals, which said the 1973 anti-discrimination law applied to airlines because they benefit from the government's air traffic control system, which costs taxpayers more than $2 billion a year. But Justice Powell ruled that since that the control system is owned and operated by the government, it is not a form of federal aid that may be cut off to airlines practicing discrimination against the disabled.

Cosmonauts Rejoin Mir Space Station

MOSCOW (Reuters) — Two Soviet cosmonauts have rebounded to [illegible] Mir space station, their second transfer from one space station to another since the two men were sent into orbit in March, the official press agency Tass said Friday.

Leonid D. Kizim and Vladimir A. Solovyev left the Salyut-7 station, where they had lived since early May, on Wednesday and flew back to the new Mir station aboard the Soyuz T-15 spacecraft. They docked after making two corrections in the flight path of their "space taxi." They [illegible] and boarded the space station Thursday. The press agency said the cosmonauts used manual controls to complete the docking and [illegible]

The cosmonauts were sent into space March 13 and spent the first [illegible] of their mission inaugurating the Mir. They made their first space trip on May 5 aboard Soyuz T-15 and reached Salyut-7 the following day. Mir is to serve as the base unit of a permanently manned space complex.

'Positive Step' on Sri Lanka Is Seen

NEW DELHI (LAT) — An Indian government spokesman, acting as an intermediary between government forces and Tamil rebels of Sri Lanka, described Friday new power-sharing peace proposals by Sri Lanka's president, Junius R. Jayewardene, as "the most positive step yet" toward resolving the ethnic conflict that has resulted in 4,000 deaths since 1983.

Indian officials met here with Tamil leaders Thursday and Friday to discuss proposals made by Mr. Jayewardene on Wednesday that would grant a degree of regional autonomy to Tamil areas.

The most significant new element of the proposals, according to a spokesman for the Indian foreign minister, P. Shiv Shankar, involves expanded police powers granted to the provinces. Under the proposals, a provincial council's chief minister would be permitted to appoint the superintendent of police for the province. Previously, the Sri Lankan government position had been that all police officials above the rank of assistant superintendent had to be appointed by the central government.

For the Record

The trial of three Palestinians accused of hijacking the Italian cruise ship Achille Lauro was suspended until Tuesday in Genoa, Italy, after one of the jurors, a local Communist politician, asked Friday to be dismissed from the jury. *(Reuters)*

A former Belgian prime minister, Paul Vanden Boeynants, has lodged an appeal against a suspended three-year prison term to which he was sentenced Wednesday for tax fraud and forgery, court sources said. *(AP)*

Soweto Journalist Reportedly Seized

This article was written under South Africa's state-of-emergency regulations, which forbid journalists from disclosing the names of anyone detained under the crackdown or from reporting about police activities without written government authorization.

By Glenn Frankel
Washington Post Service

JOHANNESBURG — One of South Africa's leading black journalists, whose family ranks just behind that of Nelson Mandela's in esteem among anti-apartheid activists here, was taken by armed men early Friday morning from his Soweto home, according to family members.

The South African Bureau for Information, the only government agency authorized under the country's state of emergency to release information, refused to comment on whether the journalist, Zwelakhe Sisulu, a Neiman fellow at Harvard University two years ago, had been detained under the emergency regulations.

Mr. Sisulu's father, Walter, is serving a life sentence alongside Mr. Mandela. His mother, Albertina, is co-president of the country's leading anti-government coalition, the United Democratic Front.

Mr. Sisulu was seized by four whites in civilian clothing who broke through his gate and front door and refused to identify themselves, according to his wife, Zodwa.

Two of the men wore hooded masks over their faces and the license plate of their car was partially covered by a second plate with upside-down numbers, making them unreadable, Mrs. Sisulu said.

In refusing comment on the Sisulu incident, a Bureau for Information spokesman, Casper Venter, said, "Unfortunately, as you're well aware, we are not in a position to give any information or to comment on any detainees."

Speaking at a press briefing this afternoon after The Washington Post had telexed the bureau for comment on the incident, Mr. Venter added: "I can tell you that we have no information in that regard and if you have not received a telexed reply by this time it is merely because we have not been able to establish any confirmation of that."

Mr. Sisulu's mother said she did not know who had taken her son and that she feared for his life.

JAPAN: *Fighting the Odds*

(Continued from Page 1)

come with clean hands, and to wear ribbons, huge strips of cloth that in the United States would be mistaken for prizes at a state fair.

In Kofu, 70 miles (110 kilometers) northwest of Tokyo, nearly everyone in the crowd waved paper Japanese flags. But there was no applause or cheering, nothing to suggest a political rally except for orchestrated shouts of "Banzai!" after the speeches.

On the campaign, Mr. Nakasone offers a humbler presence than he did during the last general election three years ago.

Then, he insisted that Japan had been held in low esteem abroad until he took office in 1982. The assertion irritated former prime ministers, who thought they had something to do with Japan's success. Now, he refers to himself as "a clumsy man" whose efforts "may have fallen short of being satisfactory."

For the most part, however, the Nakasone message remains what it long has been. Japan should be proud of itself, he says, and it should speak up more vigorously on world affairs, playing a diplomatic role commensurate with its economic might.

At home, he asserts, schools should provide "education of morality." On this score, he does not speak kindly of Japanese youth, whom he seems to regard as a pampered lot.

"We see free and active children," Mr. Nakasone said, "but they don't have guts. When they are bullied, they simply cave in."

"Education of morality" is one of several Nakasone phrases that critics contend are code words for a desire to use the schools to revive Japanese militarism and emperor worship. The prime minister insists he wants no such thing. All he seeks, he says, is patriotism.

ITALY: *Craxi Resigns, Is Asked to Remain for Now*

(Continued from Page 1)

the crisis, since the cabinet was not brought down by any single issue.

The local finance bill was the only opportunity for a vote for or against the government.

The central question was Mr. Craxi himself and the long-standing feud between his party and the Christian Democrats, the largest party in the coalition. The government also included the small Republican, Social Democratic and Liberal parties.

Mr. Craxi had resigned once before, in October 1985, when the Republicans withdrew from the cabinet to protest the handling of the hijacking of the Achille Lauro cruise liner by Palestinian gunmen.

The identical cabinet was quickly brought back to life — Mr. Cossiga simply annulled its resignation — when it became clear that the Republicans were isolated.

■ Craxi Return From Summit

Mr. Craxi left the European Community summit meeting in The Hague before the meeting's formal end earlier Friday to present his government's resignation, Reuters reported from Rome.

A presidential spokesman said Mr. Cossiga's request to Mr. Craxi to remain in office was normal procedure. He said a resignation was never formally accepted until there was a possibility of forming a new administration.

Political sources said Mr. Cossiga was expected to begin consultations Monday to explore whether the Craxi government could be resurrected.

The sources said Mr. Cossiga was likely to accept the resignation.

Political analysts expected a long crisis before a new administration could be formed, probably led by the conservative Christian Democrats. But they said that such a government might only be a stop-gap. General elections next spring, more than a year earlier than scheduled, might then be a possibility, they said.

Before Mr. Craxi's term as prime minister in the 40 years of the Italian republic, postwar governments had lasted an average of eight months.

Defense Minister Giovanni Spadolini said the crisis in the five-party coalition government had been coming for six months.

Mr. Spadolini, leader of the Republican Party, said the cabinet had voted unanimously to resign.

IRISH: *Voters Uphold Divorce Ban*

(Continued from Page 1)

nation's Catholic bishops, who demonstrated their power in reminding voters of the church's condemnation of divorce, and Fianna Fail, the opposition party that was technically neutral on the issue but whose members worked to block divorce.

"Ireland has disgraced itself," said Jean Tansey, chairwoman of the Divorce Action Group, the major organization that fought for the reform. The group argued that a divorce law was desperately needed by abandoned spouses and by children who are viewed as illegitimate in second, illegal unions.

Charles J. Haughey, the Fianna Fail leader, said the vote showed that the government was "totally out of touch" with the people, "with no popular mandate to govern."

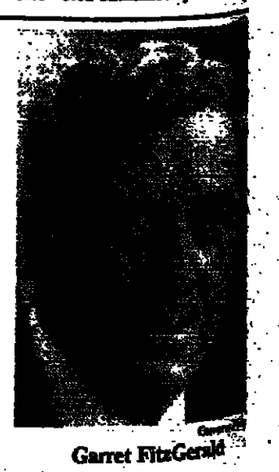
But the Fine Gael party, which is headed by Mr. FitzGerald, asserted that the referendum result could not be read as a vote of no confidence in the government.

The government must face the voters in a general election no later than November 1987.

The defeat that emerged Friday, a day after an estimated 55 percent of the Irish Republic's 2.3 million voters cast their ballots, is certain to figure prominently in that campaign.

Negative reactions were registered in all but four of the nation's 41 political constituencies. More than 70 percent of the voters voted to uphold the divorce ban in rural areas, while the vote count in Dublin, normally more supportive of Fine Gael, was running barely even.

Among the factors cited by political observers for the proposal's defeat were the thorough opposition of Catholic leaders, the failure of wary Fine Gael party workers to mount neighborhood voting drives, and the opposition's decision to fight the issue by charging that family support, pensions and other economic rights would be undermined by reform.



Garret FitzGerald

Pollsters said those arguments caused a considerable shift of opinion among women against the referendum in the final weeks.

GERMAN: *Plan to Sell Holdings*

(Continued from Page 1)

matically from a slump in the early 1980s.

The company had losses of 300 million DM in 1982. But by 1984 it was reporting profit again, and world group net profit rose 160 percent to 596 million DM last year.

In 1985 Veba, one of the country's largest industrial concerns, had a record group profit of 789 million DM.

The finance minister also announced plans to cut the government stake in a state-owned mortgage bank and in DLS, a bank providing medium and long-term credits to companies and financial institutions.

Asked about persistent speculation over the sale of the West German national airline, Lufthansa, Mr. Stoltenberg said there was no political consensus on the move in the coalition.

Mr. Stoltenberg denied suggestions that the sale of VW and Veba was aimed at bringing in money for his 1987 budget.

The opposition Social Democrats accused him of taking panic measures to raise money for subsidies to farmers and other traditionally conservative voters.

But Mr. Stoltenberg conceded that federal revenues would decline next year. Profits transferred from the Bundesbank would tumble by 44 percent to 7 billion DM, and tax income was also falling, he said.

The budget for 1987 continues Mr. Stoltenberg's policy of holding rises in state spending to below 3 percent. Federal expenditure would increase by 2.9 percent next year to 271 billion DM.

Team Won't Film Titanic Wreckage

Reuters

PARIS — A French research team said Friday that a lack of funds had forced it to cancel plans to take close-up pictures of the wreck of the Titanic.

The state-run Institute for Research and Exploitation of the Sea had planned to send a robot submarine to the bottom of the Atlantic this summer to film the luxury liner, which sank on its maiden voyage in April 1912. A French-American expedition discovered the wreck off Newfoundland last September.

In a statement, the institute said it had failed to raise the necessary seven million francs ($1 million) despite efforts to sell the media rights and find industrial sponsors. It was planning to invest a similar amount from its own resources.

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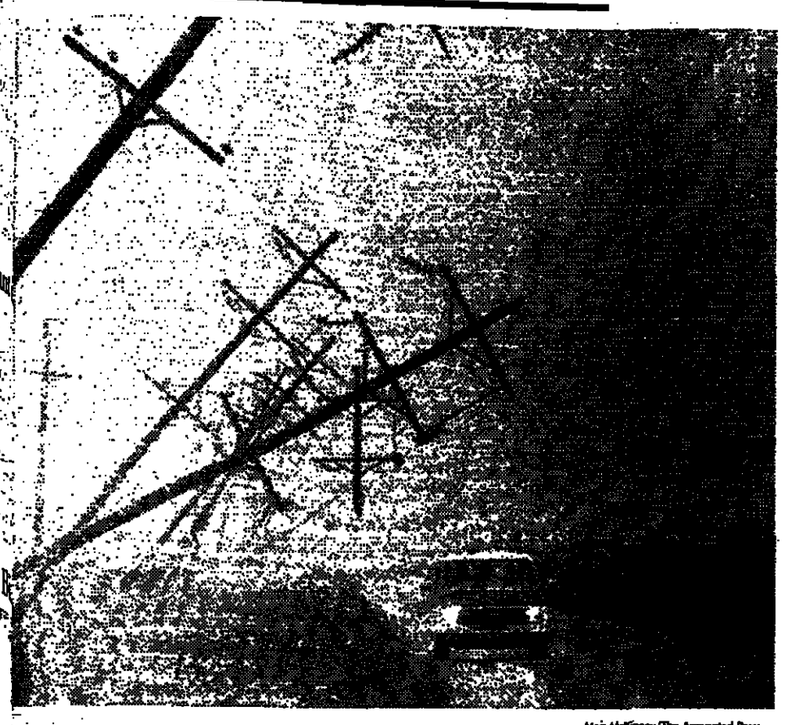
AMERICAN TOPICS



Meg McKinney/The Associated Press

BLOWN OVER IN TEXAS — Utility poles leaning along a highway about 60 miles east of Houston, in southeastern Texas, after the hurricane designated Bonnie struck the Texas and Louisiana coasts with 85-mph winds. Three persons were killed in Texas, and 30,000 people were evacuated before the storm weakened and moved northward.

More Corporations Put Accent on Ethics

More and more American companies have instituted programs to raise the ethical awareness of their employees. The programs include training sessions, business-conduct "audits," ombudsmen and special telephone lines for employees with complaints about unethical conduct.

"Corporate ethics is seeing something of a boom," Kirk O. Hanson of Stanford University told the Los Angeles Times. On college campuses, courses in business ethics have proliferated; 25 textbooks on business ethics have been published, and about half a dozen new ones appear each year.

Reasons for the boom vary. General Dynamics Corp. is emphasizing ethics after two years of government investigations of alleged overbilling on defense contracts. General Electric Co., convicted of fraudulent overcharging on defense contracts, also has an ethics program. Companies such as McDonnell Douglas Corp., American Can Co. and Chemical Bank see the programs as useful for preventing misconduct that could cause legal and public-relations problems, and for alerting managers to new hazards that come with deregulation. Some executives simply want their companies to be honest for honesty's sake.

Not everyone is convinced. Ethics programs have been criticized as public-relations ploys, or as efforts to defuse pressure for government regulation. But managers at Borg-Warner and McDonnell Douglas also see them as a way to inculcate group values, apparent in Japanese companies, that minimize friction and improve productivity.

Short Takes

Half a century after Beverly Hills, New York City has its own map showing where the celebrities live. "The Official New York Map to the Stars' Homes!" costs $3.50, including the exclamation point, and lists 120 celebrities and their addresses. Those listed include Lauren Bacall, Leonard Bernstein, Greta Garbo, Henry Kissinger, Jacqueline Onassis, Robert Redford and Beverly Sills. With cool snobbery, the map advises celebrity-hunters not to bother looking on buses or subways, or east of Third Avenue or west of Tenth Avenue in Manhattan.

Norma Jean Almodovar of Los Angeles, on probation after a 1984 conviction for pandering, is running for lieutenant governor of California on the Libertarian ticket. A party spokesman in Houston was asked if Miss Almodovar, 36, met party standards. "She does in California," the spokesman said. Miss Almodovar said that if elected, she would legalize prostitution "and pardon myself." A one-time police traffic officer, she is writing a book, "From Cop to Call Girl."

Charles West, a Cherokee Indian who teaches his people's language to members of the 500-member Midwest Cherokee Alliance, has developed a computer program to preserve Cherokee, which has a syllabary of 96 characters. Rather than copyrighting the program, he is encouraging people to copy it. "Languages don't only disappear," he says. "Races and civilizations that don't use their language disappear."

David F. Cargo, the governor of New Mexico from 1967 to 1970, recently received a letter from one W.A. Weatherall at the U.S. Treasury Department warning him that if he was "not a citizen of the United States, but a citizen of New Mexico," he would be subject to 30-percent tax on interest from his U.S. Treasury notes. Mr. Cargo replied that "New Mexico in fact, is within the United States and has been since 1912," when it was admitted to the Union. "Indeed," he added, "there is life west of the Potomac" and it is "right here on the Rio Grande." The Treasury Department sent Mr. Cargo an apology. W.A. Weatherall has not been heard from.

— Compiled by ARTHUR HIGBEE

Strike Ends At AT&T as Unit Accepts Work Rules

By Bill McCloskey
The Associated Press

WASHINGTON — Members of American Telephone & Telegraph Co.'s largest union returned to work Friday with job-security guarantees that they consider vital in an industry in which American workers are being replaced by automation and overseas labor.

The 155,000 long-distance operators, installers, sales personnel and equipment plant workers also received an 8-percent pay raise that will be spread over three years. The basic wage package was agreed upon prior to the June 1 walkout.

Rozanne Weissman, a spokeswoman for the Communications Workers of America, called the tentative pact "a major breakthrough in the telecommunications industry" because of the job-security package and other gains.

A spokesman for AT&T, Herb Linnen, said the agreements would give the company "flexibility in structuring and paying certain job categories so we will be better able to keep our costs and prices in line with our competition."

The package will be sent to workers for a secret ratification vote that is expected to be completed by Aug. 4. Workers were told to report for work in the meantime at the start of the midnight shift Friday.

In Chicago, Mattie Harris, an AT&T group manager, said early Friday that some employees had returned to work and more were expected.

Negotiators for the union and AT&T reached a tentative agreement on a national wage and employment security package on June 17.

But the strike continued while workers at the unit that was hit hardest by layoffs last year negotiated on work rules, including schedules and sales quota requirements.

The bargaining on working conditions for AT&T Information Services employees, the people who sell, install and maintain business phone equipment, delayed the end of the 26-day walkout by five days. Agreement with the five other units came quickly after the national agreement was reached.

The union vowed that picket lines would stay in place until all of the agreements were complete.

From the beginning of negotiations on April 2, both sides said they did not want a strike. But the union said the company was insisting on "givebacks," particularly in bargaining for the replacement of 23 contracts that were agreed upon by the companies that made up the Bell System before it was broken up.

Members of the International Brotherhood of Electrical Workers, which accepted an earlier contract offer from AT&T and never struck, will receive the same benefits that were won by the strikers.

The employment-security section of the tentative new contract is considered by both sides to be one of the most innovative programs in the country, and the best in the rapidly changing telecommunications industry.

It will be a model for negotiators at the seven regional Bell Operating Companies, whose agreements expire Aug. 9, and for bargainers in Illinois. There, a contract covering 12,750 linemen, installers, service representatives, sales personnel and bill processers of the International Brotherhood of Electrical Workers expires at midnight Saturday.

The employment security package includes an extensive training and retraining program for AT&T workers to help them improve skills and develop new ones as jobs change in the industry.

When the job-security agreement was reached a week ago, the president of the Communications Workers of America, Morton Bahr, called it a "quantum leap" toward a guarantee of a lifetime job.

World Court Condemns U.S. on Nicaragua

By Loren Jenkins
Washington Post Service

THE HAGUE — The International Court of Justice ruled Friday that the United States has violated international law on seven counts by its operations in support of the rebels fighting the Nicaraguan government.

The court acted on charges brought by the Nicaraguan government more than two years ago.

The international tribunal, popularly known as the World Court, ruled that the U.S. activities in and around Nicaragua had constituted illegal intervention in the affairs of another state, the unjustified use of force against another state, the violation of Nicaraguan sovereignty, the interruption of peaceful maritime commerce, and breaches of its treaty commitments to Nicaragua.

The U.S. government was found at fault for "training, arming, equipping, financing and supplying the contra forces," the mining in 1984 of three Nicaraguan harbors, a series of armed attacks on these harbors and adjacent oil storage installations in 1983 and 1984 and the staging of intelligence overflights in Nicaraguan airspace.

The anti-Sandinist forces are known as "contras."

The court finding on the illegality of U.S. support for the rebels came 36 hours after the U.S. House of Representatives approved a long-sought proposal by President Ronald Reagan to provide the contras with $100 million in U.S. aid, $70 million of it military.

The 65-year-old World Court's rulings are not binding, and are unenforceable.

The court further ruled that the United States "is under an obligation to make reparations" to Nicaragua for the injuries and damage their activities had caused and it stated that the United States should "immediately cease and refrain" from any further acts that break international law.

The United States, which originally contended that the court had no jurisdiction over the Nicaraguan charges because they were political, not legal, decided in early 1985 to boycott the court proceedings when it ruled that it did have such jurisdiction.

Last October the Reagan administration made its displeasure with the World Court clearer by announcing that it would not abide with the court's decisions.

The court rejected U.S. arguments that there was substantial proof of Nicaraguan arms smuggling to El Salvador to make the case that Nicaragua had a major role in the guerrilla war in El Salvador.

The court said that while there seemed evidence that such arms shipments had been made before 1981, since then there was little evidence to support it.

Similarly, regarding U.S. contentions that armed Nicaraguan incursions across its border into Honduras constituted aggression by Managua against its neighbors, the court found that these were limited actions of little consequence and not the planned invasions alleged.

The court took the U.S. government to task particularly on the mining of the harbors of Corinto, Puerto Sandino and El Bluff early in 1984.

The court, however, refused to accept Nicaragua's contention that the rebels were controlled by Washington and that, therefore, the United States was culpable for every act committed by the contras.

The court said, "There is no clear evidence that the United States actually exercised such a degree of control as to justify treating the contras as acting on its behalf."

Of the 16 issues the 15-member court voted on, nine key issues were adopted with a 12-to-3 vote, with three judges, Stephen M. Schwebel of the United States, Shigeru Oda of Japan and Sir Robert Jennings of Britain, dissenting.

Four issues were decided with 14-to-1 votes, with Justice Oda or Justice Schwebel dissenting.

The Associated Press

The president of the World Court, Nagendra Singh of India, left, read the ruling on Friday in the case of the United States vs. Nicaragua. At right is Judge Manfred Lachs of Poland.

'Contras' Optimistic After House Approval of Aid

By Joanne Omang
Washington Post Service

WASHINGTON — A new package of $100 million in U.S. military aid to the Nicaraguan rebels is "a turning point" that will produce "a better-balanced war" against the leftist Sandinist government and "cracks in the Sandinist structure" within a year, a top rebel leader has said.

Alfonso Robelo Callejas, one of three directors of the United Nicaraguan Opposition, said at a news conference on Thursday that he also hoped for "popular insurrections" against the Sandinists within Nicaragua, as well as "massive defections" from the Sandinist army that would produce "a more realistic possibility for a political solution."

Whether more U.S. support will be needed to achieve this "depends on how much more aid the Soviet Union is prepared to give the Sandinists," Mr. Robelo said.

In a television interview in New York, Nicaragua's foreign minister, the Reverend Miguel d'Escoto Brockmann, called the new U.S. aid "a vote against peace, in favor of death."

He said it would "cost many more deaths" of Nicaraguans, that it posed "a risk of escalation" because U.S. military advisers will accompany the rebels, and that it "makes greater the prospects of direct U.S. intervention."

Father d'Escoto declined to say whether Nicaragua would seek more Soviet aid, but said the Sandinists "won't reject any aid from any country."

A Defense Department spokesman, Robert B. Sims, said Thursday at the Pentagon that the Soviet Union has recently doubled Nicaragua's arsenal of armed helicopters and sent test pilots and technicians there for the first time.

He said that recent Soviet cargo shipments included containers of helicopters, and that Nicaragua now has 25 Mi-8 assault helicopters and 12 Mi-24 Hind-D helicopters.

The Defense Department says Moscow has provided $650 million in military aid to Nicaragua this year, a total of $2 billion since the Sandinists took power in July 1979.

Although the Senate has not yet acted, House approval Wednesday of Mr. Reagan's military aid request helped to smooth out differences among the rebel factions.

Mr. Robelo said that his group planned to start building a government-in-exile by convening representatives of 16 anti-Sandinist groups early next month to reach a consensus on the rebel leadership.

José Cardenal, a former rebel leader who was ousted in 1982 and condemned as a supporter of the deposed dictator Anastasio Somoza, appeared at the news conference to rejoin the movement. Earlier this week he said all three rebel leaders were corrupt and should be replaced.

Leaders of the small, independent Southern Opposition Bloc of rebel groups, who had exchanged harsh words with United Nicaraguan Opposition leaders, announced they had signed an agreement of "coordination" with the organization in Costa Rica on June 18.

"We have the assurance that aid will be distributed fairly for everybody," said Alvaro Jerez, a leader of the bloc.

Adolfo Calero Portocarrero, another United Nicaraguan Opposition leader, said the 20,000 rebels, also known as "contras," were prepared for new Sandinist attacks.

He said the "small weapons" that may be provided after Sept. 1 and before next February under terms of the House of Representatives bill should include grenade launchers, machine guns, ammunition and shoulder-fired anti-aircraft missiles.

The Reagan administration has said it is considering providing the advanced Stinger shoulder-fired missile to the contras and to other insurgent groups. Mr. Sims said Thursday that "as to the specifics of what might be in" the military package sent to the contras, "I have no idea."

PRENSA: *Sandinists Close Paper*

(Continued from Page 1)

programs that are subject to self-censorship," Mr. Godoy said. "It's a serious blow to the internal struggle here. We are now disconnected from the only newspaper able to transmit any of the truth."

La Prensa has been the principal anti-Sandinist organ in Nicaragua during recent years. It had been subject to censorship, but was still able to publish some material critical of the government.

Pedro Joaquin Chamorro Cardenal, who was a fierce opponent of the deposed Somoza dictatorship, used the pages of La Prensa to castigate the Somoza government. He was assassinated in January 1978, and it is widely believed that his killing, which was blamed on allies of President Anastasio Somoza, was an element in the anti-Somoza uprising that led to the Sandinist takeover in July 1979.

On Thursday evening, Mr. Ortega read a communiqué in which he vowed that the government would punish "criminal unpatriotic acts."

He said the government was taking steps that had been agreed upon earlier and that were to be taken if the U.S. Congress approved the proposal to aid the rebels.

Mr. Ortega said that new steps, which he did not specify, would provide "better conditions to confront the new threat we face." Political opponents of the Sandinists in Nicaragua, he added, were giving "civilian cover to counterrevolutionary plans."

He said that the House vote "requires the revision of some policies," and that Sandinist leaders would hold a series of meetings beginning Monday to determine what steps to take.

La Prensa is not the first news outlet to be ordered closed by the Sandinists. Soon after assuming power, they shut down more than a dozen radio news programs. Last October, they ordered the closing of the radio station operated by the Roman Catholic Church.

U.S.-Registered Plane Forced to Land in Peru

United Press International

LIMA — Air traffic controllers ordered a U.S.-registered Boeing 707 cargo jet to land here after it violated Peruvian airspace, the authorities said.

The cargo jet, which landed at Jorge Chávez Airport on Wednesday night, was en route to Santiago from Mexico City, authorities said. It was said to belong to a company called RACE.

California to Vote on English

United Press International

SACRAMENTO, California — A proposal to make English the official language of California is to be decided in the Nov. 4 election. Numerous immigrant groups oppose the measure, which also would end bilingual ballots.

U.S. Is Offering 11 Pacific Nations $5.5 Million for Tuna Fishing Rights

By Michael Richardson
International Herald Tribune

MANILA — The United States offering a $5.5 million-a-year heries proposal to South Pacific and nations to counter Soviet netration of the region.

The chief U.S. negotiator, Edrd J. Derwinski, said that the vernment was prepared to proe $4 million in economic assisnce. The American tuna fishing dustry would provide another .5 million to the 11 nations in turn for access rights for Ameri-n fishermen, he said.

In the past, American operators ve fished the South Pacific waters without any payments to the untries.

Mr. Derwinski said Thursday at Washington wanted a South cific tuna treaty not "just beuse of Soviet dabbling in the ea."

The treaty, he said, was also deigned to sustain a long history of od U.S. relations with the region d recognize the islanders' sensiity over their fishing interests.

The U.S. offer falls short of the 0 million initially requested by e 11 South Pacific island states, ost of them heavily dependent on venue from tuna fishing.

Analysts said the offer may be sufficient to dissuade more island ates from accepting Soviet offers fisheries and trade agreements.

Mr. Derwinski said the money uld be handed in a lump sum to e South Pacific islands and they uld decide how it should be ent.

Officials of Papua New Guinea id the initial reaction of Pacific and representatives was to reject e U.S. offer as inadequate.

The U.S. secretary of state, orge P. Shultz, said Friday that e growing Soviet presence in the uth Pacific "has to be recognized everyone as a problem."

Mr. Shultz said that foreign miers of the Association of Southst Asian Nations, with whom he s been meeting, "as well as oths had voiced concerns" about the tension of Soviet influence into e South Pacific.

Last August, Kiribati became e first South Pacific country to gn a fishing accord with Moscow. ustralian officials said the one-ar agreement gave Soviet trawlrs the right to fish for tuna in iribati's 200-mile (320-kilometer) clusive economic zone in exchange for payment of about $2 million in license fees.

The agreement, which did not give the Russians landing rights, is likely to be extended, possibly for an increased fee despite depressed prices for tuna on world markets.

Two other South Pacific island states also have opened talks recently with Moscow on fisheries agreements that would give the Russians access to their land.

Australia's foreign minister, Bill Hayden, who visited most of the South Pacific countries last month, said Thursday that he understood Vanuatu was discussing with Soviet representatives an agreement that included port access for Soviet vessels, provision of harbor facilities for repair work and landing and crew rotation rights for Aeroflot, the Soviet airline.

Mr. Hayden said that Fiji was interested in getting the Russians to take over operation of a fish processing plant from Japanese interests planning to abandon the venture because it was unprofitable. Fiji has had close ties with the United States and has allowed visits by U.S. Navy vessels.

An official in Suva said Monday that Fiji had agreed to discuss with the Russians prospects for trade and technical cooperation, including a fishing agreement.

A Fiji newspaper quoted the prime minister, Sir Kamisese Mara, as saying in Hawaii last week that he would allow Soviet trawlers into Fijian waters on suitable terms.

Sir Kamisese had previously adopted an anti-Soviet stance including a ban on use of Fiji's ports by all Soviet ships. The ban was recently lifted for Soviet cruise liners operating from Australia.

Legu Vagi, the foreign minister of Papua New Guinea, cautioned here Tuesday that if the United States and American tuna fishing boat operators did not provide adequate compensation for fishing in the exclusive economic zones of Pacific island states "we will definitely look elsewhere."

Mr. Derwinski, who is a senior State Department official and adviser to Mr. Shultz, said he did not think agreement on the proposed treaty could be reached at the next round of talks in the Cook Islands in July. But he said he hoped an accord could be reached in the session that followed.

In addition to the Cook Islands, Papua New Guinea, Kiribati, Vanuatu and Fiji, the other island states included in the U.S. offer are Nauru, Niue, the Solomon Islands, Tonga, Tuvalu and Western Samoa.

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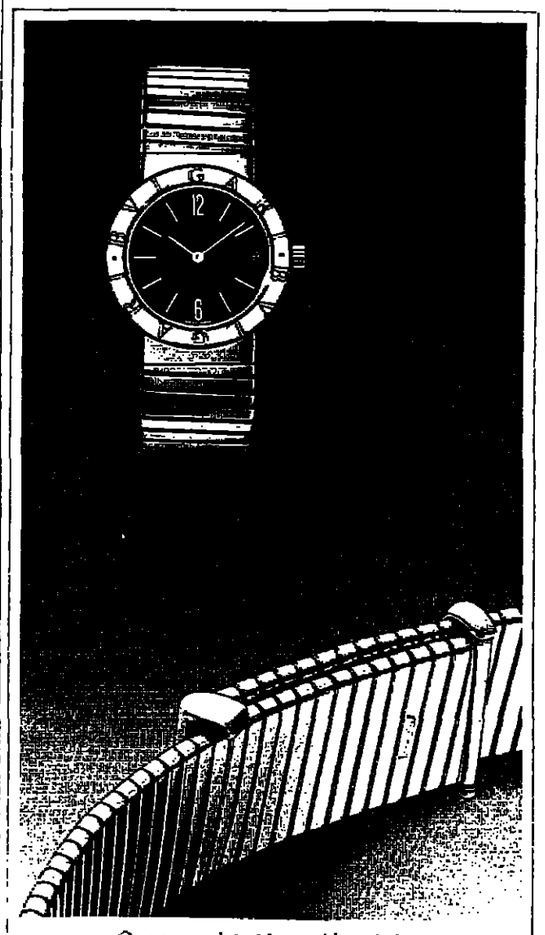

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What Next in Nicaragua?

By traveling a very small political distance on Nicaragua, President Reagan has traveled a very long policy distance. He needed only a few additional votes in the House for military aid to the Nicaraguan resistance. Unfortunately, he got them. With this result he moves from a condition of sinking stalemate to a situation with a whole new and riskier range of possible gains and losses: from a wasting or at best a holding operation to an attack.

Politically, Mr. Reagan had drawn a line in the dust and had been moving a reluctant Democratic-controlled House toward it. Now he has pulled the House across the line: 51 Democrats supported his position against the passionate counsel of their leadership. For the president the arms vote is a political feat, which he celebrates as a triumph of bipartisanship. For the Democrats the vote is a party-fracturing event whose implications will hover over its search for a post-Vietnam identity and its quest for a 1988 presidential nominee.

In foreign policy terms, the United States is now in a strange position. It is newly committed to a war against a government with which it is not formally at war and with which it observes diplomatic relations. It is doing so, moreover, not only with congressional consent but in the noonday sun. No longer is there the slightest bow, as there was when the United States funded the rebel "contras" early in the first Reagan term, to the discretion once associated with CIA operations.

It may be argued that American support of the contras will be the more potent and constant for having been suspended and then renewed in an intense multiyear debate. But there is a problem here: The president and Congress, the Republicans and the 51 Democrats, are agreed on arms aid but not on its purpose. For Mr. Reagan the purpose presumably follows from his pledge to enable the contras "not just to fight and die for freedom but to fight and win freedom." Others who support contra aid, however, do so without expectation of victory but simply to raise the Kremlin's costs of empire, and still others do so to build a position of strength from which to negotiate more effectively.

The excitement of the turnabout may conceal these fissures for a time. But they are likely to emerge later, especially if things do not go well in the field. Mr. Reagan may then have to face the familiar and fateful dilemma of whether to raise the ante, this time perhaps with a direct commitment of American forces, or to cut his losses. Optimists see the Sandinists buckling. Realists should start thinking about the choices that the president, plainly, has not been thinking about.

— THE WASHINGTON POST.

Haiti Needs a Government

The discouraging news from Haiti — unrest in the cities and a slide toward anarchy in the countryside — casts doubt on the hopes excited by the fall of the house of Duvalier. But the country's sizable problems still would be manageable if there were someone managing. Sadly, there isn't.

The interim regime of Lieutenant General Henri Namphy is plainly ineffective. Its failures threaten Haiti's economic revival and democratic prospects. More U.S. support is needed, and available, but the proper use of aid and domestic resources depends on more competent rule.

Long years of misgovernment have left Haitians desperately impoverished but no less capable of self-government than their neighbors. There has been turmoil in the streets, but under the circumstances things could be worse. The forbearance of the population implies resilience and faith. They deserve better leadership than that provided by Haiti's nominal rulers.

Nearly five months after the flight of President Duvalier, key posts are still in the hands of Duvalierist holdovers. The basic tasks of government and administration go ignored and civil order remains tenuous. In the absence of an adequate official accounting for past crimes, individuals and groups have been settling scores privately. Lynchings are common, with voodoo priests especially vulnerable.

After three decades of autocracy, Haitians can now speak out freely. And in response to heavy pressure from the streets, Lieutenant General Namphy has finally announced a timetable for elections. But without a functioning political system, the people's frustration cannot be contained.

The timetable calls for an elected president to take office in February 1988. That is dangerously far off and too long a license for the present confusion. The interim government needs to consult and work with politicians outside its narrow circle of soldiers and Duvalier-era survivors.

The United States and other nations would surely be pleased to increase aid to Haiti and help broker a broadening of the regime. But Haitians must take the lead. Only when a regime can cope with daily life will it usefully absorb more outside aid. Haiti's governors must begin to govern, or give way to those who can.

— THE NEW YORK TIMES.

U.S. Output Is Worrying

Productivity in American manufacturing industries rose 2.8 percent last year, not a contemptible gain. But in France manufacturing productivity went up nearly 4 percent, in Japan 5 percent and in West Germany almost 6 percent. The U.S. Labor Department published an international comparison the other day, and it does not contain much comfort for Americans.

Productivity rises faster in manufacturing than in most other sectors of the economy, and it contributes directly to a country's performance in world trade. Most of the enormous U.S. deficit in foreign trade is owed to the very high exchange rate of the dollar over the past several years, which overpriced American exports and underpriced imports. But now that the dollar is back closer to its true purchasing power, other weaknesses in the American position are becoming more important. One of these weaknesses is the persistently low rise in productivity — output per hour of labor — in American factories compared with those in the other developed countries.

A single year's numbers aren't terribly significant in measuring productivity, which is a matter of long trends. The Labor Department's statisticians helpfully provide a more revealing comparison for the 12 years from the first oil crisis in 1973, when productivity growth slowed throughout the entire industrial world, through last year. Over those 12 years, productivity in American manufacturing rose on the average 2.2 percent a year. In West Germany it rose 3.8 percent, in France 4.5 percent and in Japan 5.6 percent. The leader, incidentally, was not Japan but Belgium at 5.7 percent a year. Britain is generally regarded as the world's example of slow growth, but productivity increases there averaged 2.8 percent a year over the period — faster than in America.

It's reasonable to assume that there will be some improvement in America in the next decade. The young workers of the baby boom are now in their mid-20s and have begun to acquire skills. Low inflation will swing companies' attention away from financial manipulation and back to engineering and the basic business of running the shop. If the world is lucky as well as careful, markets will be more stable. All these things ought to help productivity.

But no acceleration is visible so far. That's troubling, for two reasons. One is that productivity determines America's standard of living, and if one grows slowly the other will do the same. Beyond that, productivity is a component of the country's economic strength and the crucial component. For the United States, to continue to fall consistently behind the competition would have implications reaching well beyond money and incomes.

— THE WASHINGTON POST.

Other Comment

Liberty: A Beacon Dimmed

As innocent people are killed, jailed, muzzled and in other ways victimized by the June 12 emergency decree of the government in Pretoria, the government in Washington wrung its hands and muttered reluctant, muted and ineffective protests.

That is not appropriate behavior for a great democracy, a country that historically has been a beacon of hope for millions of oppressed people. Recent events prove anew the need not only for forcible U.S. diplomatic action to fight the crime in South Africa, but for strong economic pressure including the promise of American economic divestment.

America is about to unveil the carefully, lovingly restored Statue of Liberty, a gleaming symbol of this country's dedication to freedom. But to South Africa's huddled masses yearning to breathe free, the torch atop the statue in New York harbor casts a dim, uncertain light. The power of tougher American economic sanctions could light it brightly.

— The Milwaukee Journal.

The Liberty-Ellis Island Foundation — entrusted by the Interior Department to raise private funds and restore the statue with dignity — has put a price on liberty. The American Broadcasting Co. has purchased exclusive television rights to virtually all the unveiling ceremonies for $10 million. Even more astounding is the fact that the foundation places itself in the position of selling America to the highest bidder.

The events are legitimate news open to all media. They have been paid for by the sacrifice of millions of Americans.

— Huntington Herald-Press (Indiana).

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OPINION

Moscow Will Resist American Manipulation

By Dominique Moïsi

PARIS — Returning from Moscow, one is struck by the vanity of the American effort to translate into immediate gain its perception that a newly favorable correlation of forces dominates the world scene.

Soviet society, under the weight of the Chernobyl catastrophe, is perhaps already becoming disillusioned with the reforms of Mikhail Gorbachev. Nevertheless, the Soviet Union gives the impression of being a very stable empire, one not to be diverted by America's ploys of the moment concerning critical matters.

The reaction of private Soviet citizens to the Chernobyl nuclear disaster seems to combine cynicism and fatalism with an undeniable fear that was fed by the long silence about the accident by the regime.

The cynicism can be explained by the lack of ecological concern in a country that denounces the risks of nuclear war but has done little to educate its population about the dangers of civil nuclear energy. And fatalism is the product of a specific sense of time. How can one worry about a danger that may threaten in 15 to 20 years when daily life is so demanding now in its simplest tasks?

The constantly unfulfilled promises of a bright future have tended to immunize Soviet citizens against both hope and fear. Yet educated Soviet citizens crave reliable information about what to eat or drink, and what to avoid. Parents are especially worried. Rumor feeds on rumor in nondemocratic societies in which secrecy prevails and the populace is manipulated by the government.

The expectation of meaningful reform after Chernobyl and not a mere shuffling of personnel, has already been replaced by a sense of fatalism. But in more general terms, there has been some marginal progress in the improvement of daily life in the Soviet Union, with the government envisaging that there will be a dacha for everyone someday.

The Reagan administration wrongly assumes that rapid and immediate propaganda gains can be scored against the Soviet Union. In spite of its economic difficulties and its blocked political system, the Soviet Union is a highly resilient power that cannot be manipulated as the United States would wish.

It is also illusory for the Reagan administration to believe that it can score points against the Soviet Union in the Third World while at the same time reducing arms control to a fig leaf — sometimes an object of scorn, occasionally giving a glimmer of hope, but never a subject for real progress.

Moscow could win propaganda points if U.S. policy continues to combine the assertive Reagan doctrine in the Third World with a rejection of arms control.

The Soviets have been moderate in their reaction to America's newly proclaimed globalism and tougher stances on arms control, but this is the result of a tactical choice. Moscow has not given up the idea of using diplomacy to beat Ronald Reagan at his own game. Time is on its side. Mr. Gorbachev's rule has only just started whereas Mr. Reagan has only two years left in office.

Despite the present tough American stance, the Soviets are pursuing a threefold objective with their multiple arms-control offers:

First, Moscow doesn't want to abandon the public-relations benefit of its diplomatic efforts. Thus its refusal to follow the United States into a battle of words and communiqués.

Second, instead of confronting the American offensive and defensive nuclear programs head on, the Soviets have chosen an indirect approach — America's democratic system. The Kremlin is betting that the U.S. Congress will drastically reduce the defense budget and funds for the Strategic Defense Initiative. For the Russians, the Reagan administration's euphoria over "star wars" was dented by the Challenger accident, which deprived America of its confidence in its ability to master science and nature.

Third, Moscow is using Chernobyl as a way to rekindle the anti-nuclear emotions of Western public opinion. It is trying to make nuclear power the issue in elections in Britain and West Germany, much the same way as it fed the pacifist movement during the Euromissile debate.

Thanks in part to Soviet adventurism in the Third World, the United States no longer is viewed in many European countries as the archvillain on the international stage: That honor now goes to Moscow. But the Soviets could win big propaganda points if American foreign policy continues to combine the assertive Reagan doctrine in the Third World with an effective rejection of the process of arms control.

The Russians feel that they made the greater compromise at the Geneva summit, only to be rewarded with U.S. intransigence. For Moscow, a second summit will have to be more balanced in its results. Contrary to Washington's thinking that the correlation of forces has been drastically altered in favor of the United States, the Soviets clearly will not be pushed around so easily.

The writer, associate director of the Institut Français des Relations Internationales, contributed this comment to the International Herald Tribune.

Coalitions: In Unity, Weakness

By William Safire

LONDON — A specter is haunting Western democracies — the specter of coalitionary paralysis.

Few recognize the danger; the lust to coalesce has achieved a trendiness next to godliness. It is as if voters, distrusting political parties, are acting like the movie cop sending Marlene Dietrich off to jail under guard: "And you two, watch those two."

In France, dual control is called "cohabitation" or "coexistence": President François Mitterrand lingers on, making it hard for rightist Prime Minister Jacques Chirac to get started on the dismantling of Socialism. The voters, in different stages of disillusionment, chose both, and now have government in a straitjacket.

In Israel, a more planned coalition goes by the name of "a government of National Unity," calling for four years of musical cabinet chairs. Shimon Peres is due to turn the prime minister's job over to Yitzhak Shamir, who is hiding under a desk lest he say or do anything to jeopardize the promised rotation of jobs.

In Britain, pollsters are talking of a "hung Parliament." The tiring Conservatives are splitting between tax-cut Thatcherites and social-spending "wets"; Labor, which has controlled its kooky far left, now leads in popularity. If in the next election Labor achieves a plurality without a majority, it would have to make an arrangement with the third party, an alliance of the center, to govern.

Even in the United States, where separate branches of government are meant to check each other's power, a double-check has set in: Voters have chosen a president of one persuasion and a House of Representatives of the other.

If the Democrats win the Senate this fall, Washington will join Paris in the turmoil, paralysis, passion and lack of responsibility that comes with cohabitation, the one-night stand with never any morning.

Can't voters in democracies, given a free choice between parties with different centers of gravity, use their precious franchise to choose? Must we make our leaders look like entrants in a three-legged race? Is the center, which Yeats thought could not hold, holding all too tightly?

Moderates, compromisers and difference-splitters will hail this triumph of muddling. They argue that coalitions ease transitions: France is slouching right as Britain is drifting left, with no dislocations or abandonment of alliances.

Moreover, under the carapace of unity, necessary actions can be taken that would be difficult otherwise: witness the control of rampant inflation in Israel.

It recalls the Era of Good Feeling in America, when President James Monroe presided over a postwar period of nonpartisanship from 1817 to 1825. Are the Western democracies entering an era of good feeling, with voters forcing ideologues to mute their differences, and parties merging interests in far-reaching deals?

Not on your life. The trend is pernicious and should be resisted before it leads to stagnation, bickering on a vast scale and institutional logjams.

The Era of Good Feeling was a fraud; the United States took a long unprofitable breather under one-party rule, while political tensions built up, to explode in furious partisanship and the rise of the spoils system under Andrew Jackson.

Today's coalition politics brings out the least creative and least principled qualities in the men forced to pedal on a tandem bicycle. Competition for power does not lessen; steps into the back room and become small-minded. Personalities clash while issues go undebated; petty politicians bicker with the passion that should be reserved for the clash of great ideas.

How, then, can we have the benefits of coalition — especially its getting of change as power shifts — without the lack of responsibility that is inherent in no-party rule?

Diverse democracies will come up with different answers, but ideological compromises should take place within parties to avert operational compromises between parties.

The outbreak of coalitionis should be recognized before it becomes epidemic.

The problem is not with the politicians, who are genuinely uncomfortable together, but with the voters who are unable to decide which rascal to throw out.

In unity there is weakness. Only the open clash of parties is there winning and losing, leadership and accountability, change and strength.

The New York Times.

The United States Can Rely on Felipe González

By José Luis Gutiérrez

MADRID — Americans ought to be pleased by Prime Minister Felipe González's reelection. The charismatic 44-year-old incumbent is a risk-taker, and a Socialist determined to maintain the left-of-center course he has pursued for the past four years, but he has shown himself to be a staunch friend of the United States.

Mr. González's pro-American decision to keep Spain in the North Atlantic Treaty Organization was endorsed by the electorate in a referendum in March, but his Atlanticism is often criticized by his own, left-leaning political base. People on the left deride him as "the friend of the Americans" and "Washington's man." Gerardo Iglesias, first secretary of the Spanish Communist Party, has said that "González's political program is written in Washington." Nor does the criticism come only from the left.

A strong current of anti-Americanism, sentiments that reach as far back as the Spanish-American War of 1898, runs through Spanish society, as common on the right as on the left. Disapproval of the U.S. raid on Libya in April ran high in the conservative opposition and the popular, centrist former Prime Minister Aldolfo Suarez, who expressed his "most energetic condemnation of the attack." By comparison, Mr. González's comment that he was "not in agreement with the methods used" was relatively mild.

Mr. González's views have been maturing for some time — since long before 1982, when he was elected prime minister. Ten years ago, they were quite radical, often in line with the views of the Communist Party. Today, they are so moderate that they are sometimes confused with positions of the conservative opposition.

A strong current of anti-Americanism, sentiments that reach as far back as the Spanish-American War of 1898, runs through Spanish society, as common on the right as on the left. Disapproval of the U.S. raid on Libya in April ran high in the conservative opposition and the popular, centrist former Prime Minister Aldolfo Suarez, who expressed his "most energetic condemnation of the attack." By comparison, Mr.

González's comment that he was "not in agreement with the methods used" was relatively mild.

In 1976, in a book written by a French Socialist, Pierre Guidoni, who was later appointed as ambassador to Madrid, Mr. González was quoted as saying, "NATO is nothing but a military superstructure implanted by the Americans to guarantee the survival of the capitalist system." Not two years later, after his first visit to the United States, he told a Venezuelan audience: "I would rather be knifed in the gut going into the New York subway than live 30 years safely and tranquilly in Moscow."

In 1982, he threatened to hold a referendum on a resolution withdrawing Spain from NATO. By 1985, he was asking the country to vote exactly the opposite way. The Socialists' slogan in the national elections called for "change." Spanish voters thought they meant the country. Clearly, they were talking about themselves.

Today, after nearly four years in office, Mr. González has become an enthusiastic defender of the free market system and the private sector. In May 1985, when he attended the inauguration of President Julio Maria Sanguinetti of Uruguay, he confronted two journalists, supporters of Fidel Castro and the Sandinists: "I will tell you the same thing I told my friend Castro: The Communist system doesn't work."

He made a similar comment several weeks later in Moscow: after a five-hour interview with Mikhail S. Gorbachev, Mr. González called the Soviet leader "a prisoner of the superstitions" of the Soviet system.

Last September, Mr. González traveled to China and Japan, and on the return flight, the presidential plane flew over Alaska. Several U.S. fighter planes appeared suddenly out of the blue and flew alongside the aircraft. A number of people in the prime minister's entourage were alarmed or annoyed, but when he was informed what had occurred, he commented expressively: "Those are our friends."

In this unmistakably pro-American context, the Socialist government's threats to reduce the U.S. military presence in Spain cannot be taken too seriously. A number of candidates in last week's election talked about canceling the agreement that allows up to 12,500 U.S. troops to be stationed on Spanish soil. But Mr. González can be expected to continue negotiations with Washington for a more gradual reduction.

Leopoldo Calvo Sotelo, himself a former prime minister, might just as well have been speaking for Mr. González when he said, "Yanquis, go home — but not all of you, just a few." And in the long run, it seems quite clear, that the United States can count on Felipe González as a confirmed friend.

The writer is editor in chief of the Madrid daily newspaper Diario-16. He contributed this comment to The New York Times.

West Must Let South Africa Solve Its Own Problems

By Jonathan Power

LONDON — The debate about sanctions against South Africa is only the shadow boxing for a more profound debate which is not far down the road: Will the West support the guerrillas of the African National Congress if the white government continues to refuse to compromise?

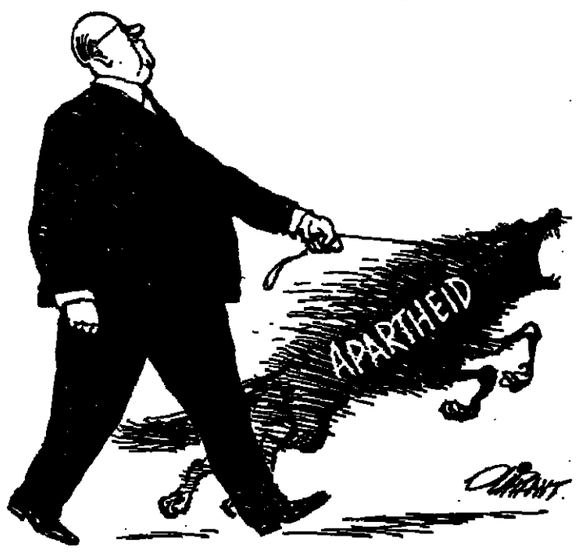
If the West is on a crusade to restore democracy, as President Ronald Reagan suggests it should be, military support of the ANC should be up for consideration.

In the 1950s and '60s, America used to debate which wars of national liberation it should oppose. Now it debates which ones to support.

During the last two years it has decided to fund the anti-Sandinist "contras" in Nicaragua. They have been given $27 million for "humanitarian" purposes and the House has just approved $70 million in military aid in addition to $30 million in nonmilitary assistance.

Within the same two-year period, Congress has voted $15 million for "humanitarian" aid for the resistance to the Soviet-backed regime in Afghanistan. This is in addition to the sizeable military aid being channeled to the rebels through the CIA.

In addition, Congress has approved $5 million in economic and military assistance for the noncommunist resistance forces in Vietnamese-occupied Cambodia.



The Reagan administration is openly sending "covert" aid to Jones Savimbi's rebels in Angola, including Sting missiles.

But what are the rules? Intervention is a dangerous game. After all, 75 percent of the countries in the world are nondemocratic. If the West decided it must right every wrong, the world would be a highly unstable place. Yet if there is a good and righteous cause, the ANC is it.

Pragmatic theories that urge peaceful pressure, sanctions included, miss the point. Intervention by foreign powers must be ruled by consistency.

In the current issue of the quarterly, Foreign Policy, Representative Stephen Solarz, Democrat of New York, attempts to come up with a rule book for when it is right for the United States to give arms to insurgent movements.

The guerrillas in Afghanistan and Cambodia get his endorsement: Those in Angola and Nicaragua do not. This is because he believes Afghanistan and Cambodia are illegally occupied and the regimes are essentially puppets — in the one case for the Soviet Union and in the other, for the Vietnamese. By contrast, Angola and Nicaragua are unquestionably sovereign governments. Although they have communist support — Angola has 30,000 Cuban troops and Nicaragua has communist supplied weaponry — the two governments are independent enough to still call the essential shots and both seek negotiated settlements that would lead to a reduction in communist support.

South Africa is totally different, Mr. Solarz argues. It does not have a Marxist government and the insurgents draw on communist support.

But Mr. Solarz is a sufficiently agile political thinker not to get hooked on that as a reason for not supporting the ANC, although for many this is the determining factor. He observes correctly that it is because the West will not arm the South African rebels that the latter look to Moscow.

Mr. Solarz holds back on ANC support for another reason: He still believes it is possible to promote majority rule peacefully. Ruling out peaceful change and the exercise of nonviolent pressure, including multilateral sanctions where possible, would be premature, he says.

Surely this misses the point. We cannot allow politicians to make their decisions on whether to intervene with military support on highly controversial judgments whether peaceful change is possible or not.

There must be a tighter line of reasoning than this and one that compels a wide measure of international support. The danger with a loose, pragmatic judgment is that either of the superpowers and a host of regional powers can bend the facts to suit their moods, needs and judgments of the moment. On Afghanistan, Cambodia, Angola and Nicaragua, Mr. Solarz is on course. With South Africa, he is way off course.

The only argument that can withstand the rigors of international real politik is the principle of nonintervention unless there is an invitation by a sovereign government, or unless the sovereign government has been deposed by outside intervention. Otherwise nations must work out their own problems on their own.

At this stage to try and look the ANC in the eye and tell them that they should not be given military aid because majority rule could still come peacefully is ridiculous. But if the West tells the rebels in South Africa that it cannot help because it must show some consistency in its dealings with dictatorships and insurgencies, that is at least honest. In the long run, it will produce a better world.

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IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Turkey and Crete

PARIS — [A Herald editorial says:] "For the Turks, the Cretan question is largely, one might say solely, a question of national sentiment. There is something humorous in the idea that Crete forms part of the Ottoman Empire. The islanders are completely autonomous; they pay no tribute to Turkey; their High Commissioner is selected by the King of the Hellenes. Turkey even, by making all Cretan products entering the Empire pay the same import duties as other foreign products, seems to admit that Crete is alien territory. But the danger is not any less serious because of a sentimental origin. On the contrary, primitive peoples are more likely to go off at half-cock about a matter of sentiment than about a matter of real importance. The Turks are probably quite capable of the folly of fighting to maintain sovereignty over Crete. Yet Crete is already lost *de facto*."

1936: Roosevelt Accep

PHILADELPHIA — Addressing audience of 140,000 that jammed it Franklin Field here, President Fra lin D. Roosevelt in his acceptar speech for the Democratic nomi tion [on June 26] called upon country to follow him in waging on the "industrial despots" who "tyrannizing" the United States. T President said that the election 1932 was the people's mandate to despotism. "The economic royalis he said, "complain that we are se ing to overthrow the institutions America. What they really compl of is that we seek to take away t power. Our allegiance to Ameri institutions requires the overthrow his kind of power. To save this gr and precious form of government ourselves and for the world, I acc the commission you have tende me. I join with you. I enlist for duration of the war."

OPINION

Turbulence Over a Treaty That Was Never Ratified

By Philip Geyelin

WASHINGTON — Nobody should have been surprised when, out of the blue, Ronald Reagan said a number of things about SALT-2 in a way that frightened, angered, confused or otherwise discombobulated critics at home and allies in Europe. He did the same thing with his flamboyant launching of the "star wars" program.

Indeed, if articulation has anything to do with the art of communication, Mr. Reagan has to be the Least Great Communicator when it comes to highly charged issues of national security that engage deep ideological passions within the ranks of his own entourage.

Give the president a moment of great emotion — the loss of the space shuttle Challenger, the D-Day commemorations — and he can move humanity. Give him a tough and touchy issue like arms control, and his capacity for setting off needless fire storms is as limitless as it is irremediable.

That is not, however, the same thing as saying, as some do, that his SALT-2 paper is altogether senseless. It is possi-

It is prudent to listen to the second thoughts of the Reagan administration.

ble to plow through the record and mus up a reasonable case for what Mr. Reagan is doing to the SALT-2 agreement, is distinct from the way he is doing it.

Allowance must be made, to begin with, for the fact that he does not work alone, that he is often ill-served by handlers whose public and/or anonymous clarifications of their master's voice seem calculated to magnify misperceptions. It must also be conceded that putting the wrong questions is an invitation to simple-minded answers. To ask, for example, whether the presidential White House statement of May 27 that started the whole brouhaha means that "SALT-2 is dead" is to state the issue in a way that requires a torturous journey back to basics.

If you assume that life for a treaty begins when it is ratified by the Senate, SALT-2 was dead on the Reagan administration's arrival.

It is equally redundant to offer clarification, as the White House spokesman has done, by saying that "SALT-2 no longer exists" or that "We are no longer bound by it." Strictly speaking, SALT-2 never did exist. Neither the United States nor the Soviet Union was ever bound by it. The administration has not torn up a treaty, which would be a pretty serious thing to do, because there was no treaty to tear up.

The proper argument has to do with whether the Reagan administration, having chosen to abide by a treaty that Mr. Reagan believed to be fatally flawed and that Jimmy Carter had been forced to withdraw from Senate consideration), should have proceeded to treat SALT-2 as a treaty for five years.

The inevitable effect was to lull both Americans and their allies alike into the false sense that the nuclear arms race was in fact under the legal restraints of a SALT-2 regimen, however loose were the restraints it imposed. Any abrupt change of attitude was bound to be profoundly unsettling.

Hence the dire warnings of an arms race spiraling out of control. Critics argue that the various Soviet violations of SALT-2 were not serious enough to offset the benefits of the voluntary compliance on both sides to many of the treaty's terms. Robert McNamara, former defense secretary, warns "The entire structure of strategic arms control carefully laid down over 15 years by four presidents will be destroyed."

Mr. McNamara and other alarmists may be right. But it is usually prudent to listen to this administration's second thoughts. When the president was asked at his news conference "why make the decision now" to abandon SALT-2, he insisted he had not made the decision; he had merely said "we've got several months" to involve the Soviet Union in a definite arms-reduction program before a decision would have to be made that would constitute a conscious U.S. violation of SALT-2.

Or consider the clarifications by Secretary of State George Shultz and Defense Secretary Caspar Weinberger, supposedly at loggerheads on the question of the SALT-2 treaty.

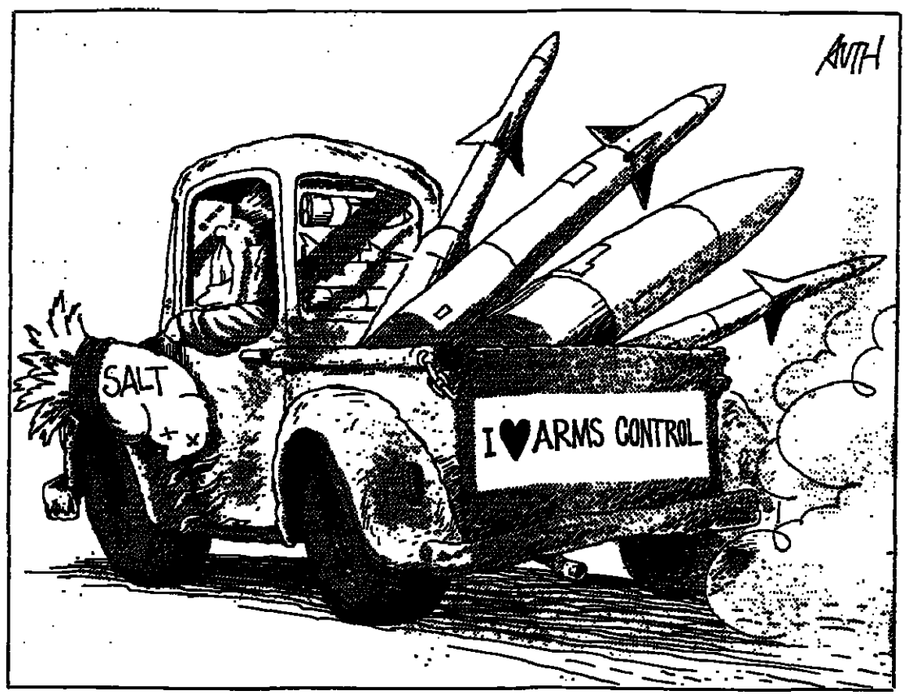
Mr. Shultz said the president had decided the United States would continue to follow a policy of thoughtful restraint. But rather than have that restraint be a derivative of a treaty that is increasingly obsolete in its concept, that has been violated by the Soviet Union, and that has never been ratified by the U.S. Senate and would have expired if it had been ratified, Mr. Shultz explained, "we will be guided by our observations of what the Soviet Union does."

Mr. Weinberger told reporters at a breakfast meeting: "What we were trying to do was to adhere to the limits of SALT-2 in hopes of getting some sort of restraint from the Soviet Union. It is clear they were violating those limits.

"From here on," Mr. Weinberger said, "our defense policy will be based on our own individual national-security needs and not on any of the provisions of the expired and fatally flawed and unenacted treaty."

No big argument there; you could conclude that there is also no assurance of an accommodating attitude on arms control. But you can not exclude the possibility of a reasonably coherent strategy to make future U.S. performance conditional on Soviet performance, without necessarily breaking out of SALT-2's bounds.

Washington Post Writers Group.



Let's Revert to Last Names: Familiarity Breeds Contempt

By Jill Norgren

NEW YORK — The note to my husband attached to the mortgage form said. "Ralph, please review the ..." There it was again: a first name being used by an utter stranger.

A month before, a bank employee nearly half my age, who had never before seen my face, peered over my application for a certificate of deposit and quietly cooed, "Now, Jill, let me explain how this works."

After several years of this first-name nonsense, my cool collapsed. "I don't

MEANWHILE

believe I have invited you to use my first name. I am Dr. or Mrs. to you." The bank employee blanched.

I wrote the president of the bank, who promptly and sympathetically responded. He said he had recently been addressed by his first name while having his teeth cleaned by a technician. And he promised to have the proper forms of customer address discussed at the next staff meeting.

Why am I distressed at the use of first names? Their use, after all, is a sign of acquaintance, informality and warmth. What could be troubling about a lexicon that expresses such values, particularly to an old 1960s academic who embarrasses her children by still using a backpack rather than a briefcase?

The answer lies in the notion of relationships. In dealing with one another, we need cues to signal behavior.

The nonsense about the bank teller or the dental technician using first names lies in the false premise that an acquaintance or stranger is in an informal or caring relationship. They are not, and that is why — at least until we have come to know and evaluate them — that we have not invited them to use a first name. Yet, they have chosen to jump the age-old tradition of names — and of interpersonal distance.

Why this has occurred among paraprofessionals and clerks is an interesting question and one, I believe, that has to do with the much larger issue of relationships in such situations — namely power relationships.

Woman have long known about the use of first names as an expression of power relations. Every visit to a gynecologist was an experience in first-name nonsense. He called out "Sheila," "Donna" or "Sue" while you properly responded "Doctor" — as did his nurse and secretary. His was a position of knowledge and, therefore, authority. A first name would be unthinkable.

Until the women's movement drew our attention to this denigration of women, more than a few of us tolerated such infantilism.

The ever increasing use of first names by strangers in the marketplace is a complicated variation on the theme of the physician's office. In an era of mass society and anonymity, the business community attempts to stroke and manipulate us with feigned friendliness.

First, employees — some old enough to be grandparents — were ordered to put first names on plastic badges, leaving customers little choice but to address them informally.

An increasingly casual society and the employees' desire to view themselves as equal to clients led them to respond in kind. Therefore, they address us as "Bob" or "Sue" where "Mr. or Mrs. Petersen" served previously.

What's in it for business? Why do they tolerate or even encourage their employees in this practice? Do most customers actually like it? Does it increase sales? Or does it intimidate?

Let's move back to last names. It's not grumpy. Last names belong to the impersonal relations of the marketplace. In an era when corporations are multinational, these contacts are impersonal.

The writer is associate professor of government at the John Jay College of Criminal Justice at the City University of New York. She contributed this comment to The New York Times.

LETTERS TO THE EDITOR

In Rebuttal of Dobrynin's Call to Disarm for Development

The hypocrisy and transparent attempt at deception in Anatoli Dobrynin's comments, "Moscow: 'Disarm for Development,'" (*June 19*) are matched by your misjudgment in putting this excerpt from his article in your Opinion page rather than the comics page.

If the ideal of socialism, by which Mr. Dobrynin means "real," i.e. Soviet socialism, is "a world without weapons and violence, a world in which each nation freely chooses its own way of development," then that ideal has been betrayed for decades by Soviet leaders, as witness the Soviet use of military force to suppress the peoples of East Berlin in 1953, Hungary in 1956 and Czechoslovakia in 1968. That the frequently touted "new" Soviet leadership under Mikhail S. Gorbachev continues to betray the ideal Mr. Dobrynin alleges, is evidenced not only by the continuing Soviet policy of genocide in Afghanistan, but also by Moscow's attitude towards the East European countries.

From a major policy-indicative article in Pravda in June 1985 through the Soviet Communist Party's 27th Congress to the most recent Comecon and Warsaw Pact summit meetings, it has been apparent that those countries, far from being free to choose their own way of development, are to be bound ever more tightly to the Soviet Union, economically, politically and militarily.

As for Mr. Dobrynin's deceptive references to aid for developing countries, it is a matter of record that of the major industrialized nations the Soviet Union has been the most parsimonious in this respect. Not even the president of the Socialist International, Willy Brandt, who never tires of playing his own dissonant "disarmament for development" theme and to whom the Soviet leadership must feel indebted for his unexcelled contribution to a disarmament mindset in some West European political circles, was able to make a dent in Moscow in his two major attempts during the past five years to stimulate greater Soviet interest in development aid.

Finally, if Mr. Dobrynin's comments are indicative of his level of sophistication in propagandizing the West, may I suggest to the Soviet leadership that they retire him and reappoint Boris Ponomarev as head of the International Department of the Central Committee?

ARNOLD M. SILVER.
Luxembourg.

From a Lebanese in Exile

Regarding the report "Damascus Says Release Of Western Hostages in Lebanon Is 'At Hand,'" (*June 24*):

The Lebanese, regardless of religion or financial status, have all paid their "dues" to the nation or to God since the beginning of the civil war, 11 years ago. Initially, there are those who were not spared and paid with their lives and/or their meager belongings. And there are those who thought that they became immune to all this by living abroad, enjoying themselves to the fullest, and indulging in hypocritical, sporadic fits of nostalgia at cocktail parties and leisure resorts. This class, to which I belong, have also paid "dues," though of a different nature. They have lost their identity, their humanity, their sense of national duty — their sanity!

FADI KHALED AGHA.
Paris.

Hope for the Handicapped

I wish to reassure Mr. Paul Margel, in "Letters to the Editor," (*June 12*): Disabled dolls are not an exploitation, they are part of a special program sponsored by the Easter Seal Society to provide handicapped children with a matching handicapped doll. This gives each child a "friend" to relate to, helps them verbalize their many problems, and most of all, feel that they are indeed lovable, though not "perfect."

ELEANOR T. CAMPAGNA.
Connecticut.

Shaping France's Elites

Regarding "Forming Movers of Industry and State" (Special News Report on France) May 28:

Vivian Lewis's report explored a little-known and poorly understood aspect of French reality in politics, government and business. The alumni of the *grandes écoles*, which are parallel to, but different from the universities, hold the majority of the policy-creating jobs in all fields in France.

However, we found the article too narrow, concentrating only on a few schools, and sometimes even inaccurate.

As students of the Ecole Normale Supérieure of Fontenay, a *grande école* that was not mentioned, we were surprised to see that you spoke neither of the five Ecoles Normales Supérieures, nor of the *grandes écoles* of business, nor even of some of the prestigious engineering schools, such as the Ecole des Mines and the Ecole des Télécommunications.

The students of the business schools, including HEC (Hautes Etudes Commerciales), ESSEC and ESCP, occupy a majority of the executive level positions in industry, commerce and finance.

The students of the Ecoles Normales Supérieures (at the rue d'Ulm, Sèvres, Fontenay, Saint-Cloud and ENSET de Cachan) are expected to teach in the higher-level universities and schools — including the *grandes écoles* — or do research in science, technology or literature. We are state employees (as are students at the Ecole Polytechnique) during the four years at our school.

To enter a business school or an Ecole Normale Supérieure, just as for an engineering school, one to three years of preparatory courses are necessary. The admission examination is at least as selective as the Polytechnique's.

To compare the Ecole Nationale d'Administration and the Polytechnique is surprising, since these two schools represent two different types of education, leading to two different types of careers. The Ecole Nationale d'Administration is designed to put the finishing touches to an education at various *grandes écoles*, such as those of the Polytechnique, Sciences Politiques or an Ecole Normale Supérieure. Former Prime Minister Laurent Fabius, another "classic" case, attended the rue d'Ulm, then the Ecole Nationale d'Administration.

COLETTE WINDISH.
CLOTILDE VEZIES
and ANNE ROCHERON.
Fontenay-aux-Roses, France.

Portugal's Government Keeps Power With 15-Vote Margin in Parliament

Reuters

LISBON — Portugal's minority Social Democratic government won a crucial confidence vote in Parliament on Friday. Defeat would have caused it to fall after only seven months in power.

Prime Minister Anibal Cavaco Silva's center-right administration won by 15 votes through late support from the conservative Christian Democrats and abstentions by 14 members of the center-left Democratic Renewal Party in the 250-seat parliament, officials said.

The Socialists and Communists, opposed to the government's strongly pro-business policies, mustered 93 votes compared with the 108 of the governing Social Democratic Party and the Christian Democrats.

The vote turned on a last-minute decision by the leader of the Christian Democrats, Adriano Moreira, who told a packed National Assembly: "It is only for the good of Portugal that we are voting this way tonight."

The votes of the 22 Christian Democratic deputies combined with the mass abstention of the Democratic Renewal Party deputies were enough to ensure the survival of Mr. Cavaco Silva's government, the 16th in Portugal since the revolution that restored democracy in 1974.

"This vote reaffirms the confidence of the National Assembly in the government's legitimacy, program and objectives," Mr. Cavaco Silva said after the two-day debate.

Mr. Cavaco Silva, 44, a former finance minister, took the unusual step of calling for a vote of confidence on Monday after the opposition thwarted government plans to enact legislation that would make it easier for employers to hire and dismiss workers.

He complained that the Social Democratic program for modernizing the economy was being blocked at every step and said private enterprise must be given a freer hand and public spending reduced if Portugal was to adapt to European Community membership.

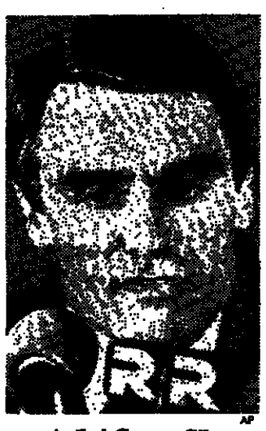
"We have a program to carry out and that is what we must do," he said.

But Mr. Cavaco Silva's fragile parliamentary position, the ambitious scope of his policies and the volatile nature of Portuguese politics made further tests of his government's survival appear inevitable, according to political analysts.

Political analysts said the success of Mr. Cavaco Silva's parliamentary maneuver owed as much to the weakness of the opposition as to the strength of the government.

The powerful Socialists have been leaderless since Mr. Soares resigned last year to run for president. The Democratic Renewal Party has yet to persuade the figure around whom it was formed, former General António Ramalho Eanes, the former president, to take charge of the party.

"The opposition parties are in no position to fight an election," a government official said, "and the last thing they want is to be blamed for causing yet another one."



Aníbal Cavaco Silva

Black Unions and Pretoria in Test of Wills

By Glenn Frankel
Washington Post Service

JOHANNESBURG — At first glance it looks like business as usual at the Checkers supermarket in the Sandton shopping mall here. Customers wheel shopping carts down well-stocked aisles whose quantity and variety of products would look familiar to any American shopper.

But almost all of the customers are white and so are most of the checkout cashiers. Black faces, which usually predominate behind the counters here, are conspicuous by their absence.

The reason is that members of the Commercial, Catering and Allied Workers' Union have walked off their jobs to protest the arrests of many of their leaders during South Africa's two-week state of emergency. This store is one of more than 100 stores, factories and warehouses to be hit by wildcat strikes since the crackdown began.

At least 16 union leaders have been released in the last two days. Union officials said the government had no explanation for the releases.

At least 171 union leaders and shop stewards have been arrested since the state of emergency began June 12, according to the nonprofit Labor Monitoring Group, which keeps tabs on the union movement. An unknown number remain behind bars along with hundreds of anti-apartheid activists.

The strikes are virtually invisible. There are no picket lines and no protest signs. Such demonstrations are illegal under South African law and would result in certain arrest.

Union leaders say hundreds of workers who have tried to stage sit-ins or other protests in a number of factories have been quickly rounded up and detained under the regulations for the state of emergency.

But the strikes continue, reflecting the fact that South Africa's state of emergency has become, in part, a test of strength between the white government and the country's young but growing black trade union movement.

It is a test that has found the white business community caught in between, beseeching security officials to release union leaders in order to get their employees back to work.

There are no picket lines, and no protest signs are displayed during the strikes. Such demonstrations would result in certain arrest.

"I feel like the ham in a sandwich," said a business executive who was part of a group that met last week with the law and order minister, Louis Le Grange. "We've spent years building up excellent relations with our unions, but now that trust is starting to disintegrate overnight."

Union organizers have allegedly been threatened with detention unless they stop recruiting. Shop stewards have disappeared.

The unions are a relatively new target. Last year's state of emergency was aimed largely at political leaders, community activists, church leaders, teachers and students.

Now the more activist unions also have joined the list. The reason for the change, both the government and union leaders agree, is that the unions in recent months have begun to shed the relatively apolitical stance they had earlier adopted for their own protection and have ventured into South Africa's volatile and risky political arena.

"No member of trade union movements in South Africa is being detained under the emergency regulations because of purely trade union activities," said South Africa's commissioner of police, Lieutenant General Johann P. Coetzee, in an unusual statement released Wednesday.

Instead, he said, police had arrested unionists who had "entered the political arena with full knowledge of the possible repercussions and implications thereof."

Marcel Golding, spokesman for the National Union of Mineworkers, the country's largest black union, said: "The government is trying to destabilize the trade union movement. They're warning us that we're vulnerable and that they can hit us if they choose to."

Mr. Golding and the mineworkers union's general secretary, Cyril Ramaphosa, went underground for two weeks after police surrounded their offices in central Johannesburg and searched the premises for them. Elijah Barayi, the president of the Congress of South African Trade Unions, the country's newest and largest labor federation, disappeared for a time. So did the general secretary of the federation, Jay Naidoo.

"The emergency has hit us very severely," Mr. Naidoo said after re-emerging this week. He said that 70 key leadership figures in the movement had been detained and he warned that wildcat strikes by retail workers could spread if the government did not take heed.

South Africa legalized union membership in 1979. At first the unions shied away from politics, fearing they would be crushed in their infancy under South Africa's stringent security laws. But as civil unrest in black townships and violent clashes with riot police have increased, the unions have come under strong pressure from community activists and their own rank-and-file membership to get involved.

The formation of the labor federation in December in Durban was the culmination of this political trend. The federation, which claims to represent nearly a half million workers, took strong stands against the apartheid system, most notably the laws that required blacks to carry passes, which have since been abolished.

The federation is identified closely with the United Democratic Front, the main anti-apartheid coalition. The government appears to view it as a legal stalking horse for the outlawed African National Congress.

The detentions have posed a major problem for some businesses. When retail workers began wildcat strikes against Johannesburg's largest chain stores last week, employers phoned the union for help, only to find that the leaders they had negotiated with for several years were in jail.

In a statement this week, Mr. Naidoo demanded that employers pay full salaries to those detained and that they make their premises available to shop stewards for union meetings. Most of all, he and other leaders are calling on businessmen to renounce the state of emergency and call for the release of all detainees.

Madrid Police Hold 2 in Airport Bomb Explosion

Reuters

MADRID — The Spanish police said Friday that two persons, a Palestinian and a Spaniard, had been detained in connection with a suitcase bomb blast Thursday near the El Al airline counter at Barajas Airport here in which at least seven persons were injured.

A police spokeswoman said the person suspected of having placed the bomb inside a suitcase checked for the Israeli airline's flight to Tel Aviv was Nasser Hassan el Ali, a Palestinian and a member of the Abu Musa guerrilla group.

"Hassan was carrying a false Syrian passport which gave his name as George Wartar," she said.

She said that Mr. Hassan had paid a Spanish citizen, Isaias Manuel Jalafe, $1,000 to take the suitcase to Israel. Mr. Jalafe, 32, was told that the suitcase contained heroin, she said.

The bomb went off when an El Al security guard turned a fire extinguisher on the suitcase after spotting smoke coming from it while it was on a conveyor belt.

A government statement issued Friday said that three persons had been seriously injured and four had suffered lesser injuries in the explosion. The airport director, Arturo Pérez, put the number of persons lightly injured at 11.

The explosion blew a large hole in the roof of the international departures lobby.

The police spokeswoman said that Mr. Jalafe had been arrested after the blast and that Mr. Hassan was detained early Friday.

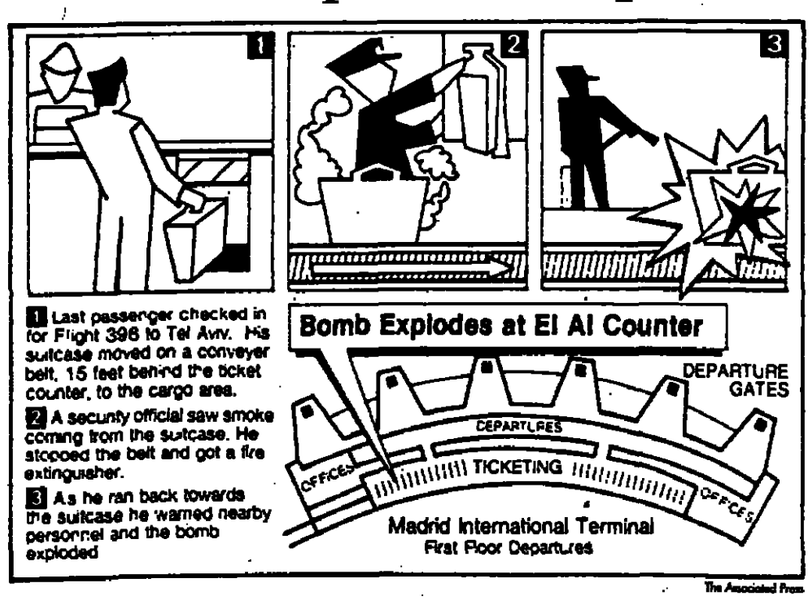
Policemen had been on alert at the airport since the guerrilla attacks in December at the Rome and Vienna airports. There had been reports that a third attack was planned in Madrid.

Security in Spain has been stepped up since the country established diplomatic relations with Israel in January and since the U.S. air raids on Libya on April 15.

In another incident, two persons were injured, one of them seriously, the police said, when two bombs planted by suspected separatist guerrillas exploded Friday in Bilbao, Spain.

A construction worker lost an arm when a bomb went off at a building site in Portugalete. Earlier, a policeman was injured when a bomb exploded at the offices of the U.S.-owned 3-M Corp.

The police said the attacks seemed to be by the Basque separatist guerrilla group ETA (Basque Homeland and Liberty).



U.S. Aides Are Said to Back Return of Gaza Strip

The Associated Press

TEL AVIV — Rashad Shawa, a former mayor in the Israeli-occupied Gaza Strip, said Friday that he had met with U.S. officials who said they supported a plan to return Gaza to Egyptian control.

Mr. Shawa declined to say whom he had spoken with, but Israel Radio's Arabic service said he had met with Thomas R. Pickering, the U.S. ambassador to Israel. Israel Radio said the former mayor also had met with Prime Minister Shimon Peres of Israel.

"Everyone seems to have received the idea favorably," Mr. Shawa said later. "The plan would be to freeze everything and give Gaza back to the Egyptian administration. We then would wait until the time when an overall solution for all the occupied areas can be reached."

The Gaza Strip is a tiny stretch of land along the Mediterranean Sea where 600,000 Palestinians and about 5,500 Jewish settlers live.

Israel has occupied the strip since the 1967 Middle East war. Mr. Shawa was twice deposed by Israel as mayor of Gaza city, in 1972 and 1982, for nationalist activities. He has remained a prominent businessman and community leader.

His proposal for Gaza first became public in May, when he said he had met with President Hosni Mubarak of Egypt to discuss it.

"Egypt supports this idea," Mr. Shawa said, "but only provided there is coordination with Jordan, Syria and the Palestinians."

Mr. Mubarak said last month that he would not support any solution for Gaza without the approval of King Hussein of Jordan and Yasser Arafat, the head of the Palestine Liberation Organization.

Mr. Shawa said Israeli officials had told him in talks that they would be willing to return Gaza to Egypt as long as foreign relations and security matters were left in Israeli hands.

"I said the question of foreign relations could not at all be in the hands of Israel," he said. "That would mean a continuation of the occupation. But the problem of security is negotiable, and we could reach an agreement on that."

An Israeli official quoted in The Jerusalem Post confirmed that Israeli officials had discussed the plan with Mr. Shawa.

SPORTS

Maradona has been superlative, but the Germans regard his previous opponents as ranging from naïve to overawed.

The World Cup's Final Question: Can Anyone Stop Maradona?

ROB HUGHES

International Herald Tribune

MEXICO CITY — We may all be wrong. Journalists, players, coaches, administrators and *aficionados* encamped in Mexico for this 52-match World Cup marathon believe that there is but one *question to be answered: can anyone stop* Maradona?.

It is a prerogative of sport, if irrational, to take a man of 5 feet 6 inches (1.68 meters) and 143 pounds (65 kilograms) from the back streets of Buenos Aires and place him on a pedestal. Yet we do it. And, quickly, name one person other *than Diego Armando Maradona whom* you expect to win the game Sunday that will decide the world championship of soccer.

Crazy isn't it? This is a team game, deep in strategies. We know for sure that 11 West Germans, a machine-like team of many destructive parts, will run to the *last drop of sweat in Azteca Stadium.* And whatever else they are, these Germans become nothing short of trench fighters when 70,000 Deutsche marks ($31,590) per man is on the line. They are in the final for the fourth time in the last six World Cups, and yet upward of a quarter of the world's population will *tune in by television wondering when,* rather than if, Maradona will fulfill his *destiny and beat them.*

But beware. West Germany has ways of bursting other peoples' bubbles. It will try to isolate Maradona, to guard him more efficiently than any other team has done, to shut him off from balls even a superstar needs to perform his art.

Germany is the cradle of strict man-to-man marking. Its defenders dog their quarry relentlessly, they tackle hard but not necessarily unfairly, they cling and they cling and they will test not only Maradona's skill and his patience but almost certainly the volatility he has — while winning — kept under tight rein in Mexico.

There are two candidates to "do a job" on Maradona. Hans-Peter Briegel has stifled Maradona's genius in the past and plays against him in the Italian league. A former decathlete with a sprint time of *10.9 seconds for the 100 meters, Briegel* has the speed to match Maradona. But at 6-3 and 196 pounds and at 30 years of age, Briegel might find the Argentine too elusive, or too crafty in taking dives for free kicks.

West German manager Franz Beckenbauer likes to keep even his players guessing *until the eleventh hour of match-day.* But it will be surprising if Briegel, "the waltz steamroller from the Pfalz," is not left freer to strike panic in Argentine's *rear with his marauding gallops up the* left.

That suggests that Lothar Matthäus, at 25 and 5-9 more Maradona's match in age and agility, will be appointed to mind the *maestro. Five years ago, Matthäus* proved his gritty, adhesive qualities by denying Maradona and Zico, in successive matches, an inch to display their art.

True, Maradona has been in superla*tive form. But the West German players* regard his previous opponents as ranging from the naïve to the overawed.

England and Belgium, each a victim of two goals by Maradona in the space of 4 *minutes and 12 minutes, respectively,* did not attempt man-to-man marking. And Italy, the only team to hold Argentina, also was the one to tie a player to Maradona's bootlaces. But that man was Salvatore Bagni, who as a clubmate of Maradona's in Naples knew the Argentine's wiles. He countered many of them, but he was hardly going to risk the wrath of Neapolitans by roughing up their resident idol.

So Bagni lost contact, and Maradona scored against Italy with a left-footed volley that remains an inexplicable piece of sorcery. Off balance, going the wrong way and impeded, he still utterly fooled Italy's goalie.

West Germany may hold him tighter for perhaps longer. But if Maradona is willing, if he stays whole and keeps his temper, there will come times when Harald Schumacher will need to provide proof that he is the most defiant goalie in a tournament brimful of fine keepers.

Such moments will call for Argentina's Jorge Burruchaga to escape his marker to be able to release more of those clever passes that delight the French folk of Nantes, where he plays his club football. Such moments will require Jorge Valdano to recapture his early tournament form of front running, either as a goal scorer or a decoy to pull apart a defense in which Ditmar Jakobs and Karlheinz Förster are models of calmness.

In midfield, normally the axis of good sides, Felix Magath, the most intelligent and sensitive of the German players, will try to repeat his excellent performance against France. The often reluctant Magath, scorer of a stunning 25-yard goal by which Hamburg beat Juventus in the European Cup in 1983, is approaching his 33d birthday and has survived bitter criticism, not the least of which came from Beckenbauer.

The manager doubted even in April that Magath had the inspiration for the job, though his lack of faith was mild *compared to that of Paul Breitner, a for*mer West Germany international who made the scathing remark that "Magath is superfluous, like an abcess."

Acrimony seems to make West German hearts grow stouter. For the second World Cup in a row the team has been divided over the inclusion of an unfit *Karl-Heinz Rummenigge. But for the sec*ond time he expects to wear the captain's arm band at the kickoff. No one pretends that he is pure Rummenigge. His knees have been injected with so much cortisone, he has hauled his unfit joints through so many league and national games, that he is performing on borrowed *time and long experience. The brain is* still quick but the body refuses some signals.

And West Germany's gamble — as well as the cause of much of its sour progress past the likes of Morocco and Mexico — is rooted in the fact that two other forwards chosen, Rudi Völler and *Pierre Littbarski, also have tried to rush* back too soon from the surgeon's knife.

It all means that West Germany has just one truly reliable striker, Klaus Allofs. And that seems precious little *with which to attack Oscar Ruggeri,* José Cucuffo and sweeper José Luis Brown of Argentina. Not to mention the clever, bearded Sergio Batista, who on occasion has been used as an enterprising "relief" marker, a spare man who roams in front of the defense helping to tie down elusive opponents.

On paper, then, this is not a one-man finale. But Maradona colors the canvas so much more vivaciously than all the rest that we still will hope to see him rise above it all. Soccer needs an authentic focus for a tournament that has from time to time surpassed poor conditions under foot, in the air and, mainly, in its profits before quality format.

So please, little man, if it is again your day be very very good, leave the cheating to others, trust in your artistry and show that "young fogie" Beckenbauer that something is wrong when he declares that World Cups are "not a joy but a hard, hard sacrifice."

Nystrom Is Beaten; 2 Top Seeds Win

By John Feinstein
Washington Post Service

WIMBLEDON, England — This tennis tournament is beginning to take on strange aspects. Wimbledon is the place where nothing is predictable. Upsets are a daily routine. So is the rain.

So what is happening? Not only has there been no sign of rain since *Monday, there has been no sign of* a significant upset since Tuesday when Jimmy Connors departed.

Friday, the only seed to lose was No. 6 Joakim Nystrom of Sweden. He lost to Ramesh Krishnan of India, 6-7 (8-6) 6-2, 7-6 (8-6) 6-4 in a match that was delightful but hardly shocking. Nystrom is not a grass-court player, or a big server, and is much more comfortable at the baseline. Krishnan is not exactly overpowering, but the other *players call him "the surgeon" be*cause he is so delicately and efficiently carves up opponents regardless of the surface.

This time he kept floating balls *just out of Nystrom's reach, chip*ping and chopping. "I guess neither one of us is very good at the net," he said softly after blowing a lead of two service breaks — and four match points — in the fourth set before finally breaking Nystrom.

While Nystrom was being cut up on Centre Court, Ivan Lendl, perhaps the most ignored No. 1 seed in *tennis history, was easily winning* again, cruising past Amos Mansdorf of Israel, 6-2, 6-4, 6-4. Lendl has played on Centre Court once in three rounds and, when he did, the royal box was deserted.

Martina Navratilova of the United States, the women's top seed, *continued after her fifth consecu*tive women's title by routing Jane Forman of Australia, 6-0, 6-4.

Tim Mayotte of the United States, the men's 10th seed, beat *Tomas Smid of Czechoslovakia,* 6-4, 6-2, 2-6, 6-2, and Claudia Kohde-Kilsch of West Germany, the women's fourth seed, beat Alycia Moulton of the United States, 6-2, 6-2.

Mayotte is the one player left in the upper half of the draw with any realistic chance of beating Lendl before the final.

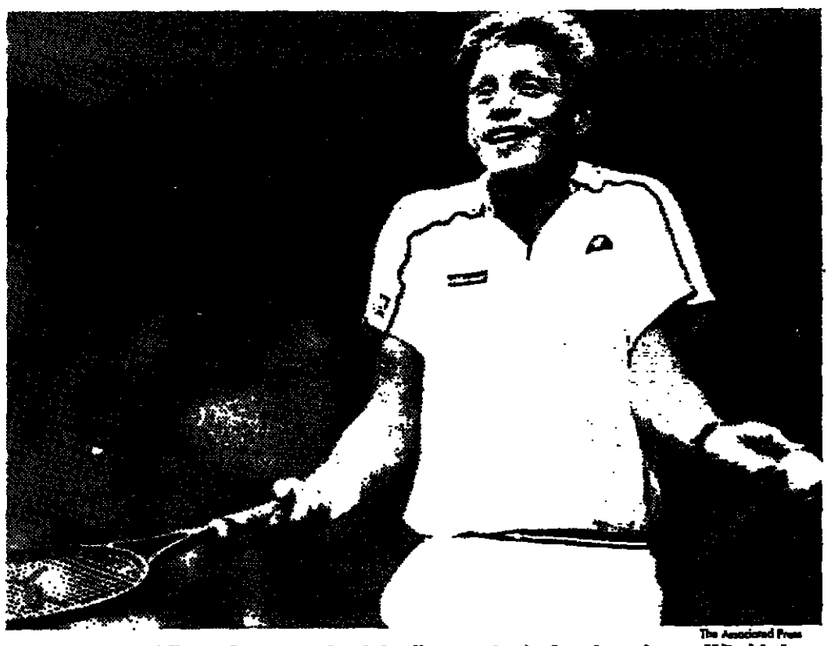
The women's No. 8 seed, Manuela Maleeva of Bulgaria, beat Susan Mascarin of the United States, 6-4, 7-6 (8-6), and No. 10 Gabriela Sabatini of Argentina, beat Catherine Suire of France, 6-3, 6-3.

Boris Becker remained in contention, although the tournament committee seems to be trying to forget him. Becker did not get on the court until after 7 P.M. Thursday to start his second-round match against Tom Gullikson. He was leading 6-4, 6-3, 2-2 when darkness halted play.

So, naturally, the committee once again kept Becker waiting until almost 7. Fortunately for him, he is in strong form and quickly won four straight games to put Gullikson out *of his misery. That put Becker in the* third round a day late. Was he bothered by this nonsense.

"Wimbledon is Wimbledon," he said, shrugging. "They have been *here 100 years. They are not going* to change for me."

However, by day's end 350 people had fainted from the heat — at Wimbledon? —and those who had survived the temperature were left looking forward to such fourth-round matches as Christo Van Rensburg versus Christo Zivojinovic and Eric Jelen versus Krishnan. *One of those four players will be a* semifinalist. Think about that.



The Associated Press

Boris Becker of West Germany, the defending men's singles champion at Wimbledon, appeared puzzled but pleased in his match against Tom Guillikson of the United States.

Argentine Coach Bilardo Has Silenced His Critics

By Abel Dimant
United Press International

MEXICO CITY — A smile turns the corners of Carlos Salvador Bilardo's face these days and the tell-tale signs of revenge shine out of his dark eyes. He appears to be a man content with life.

It has been three long years, but *his day has finally arrived, and for* someone who was accused of promoting "anti-soccer," the Argentine national coach has good reason to smile.

Coaches are there to be second-guessed, but Bilardo, 46, has been under constant criticism from Argentine fans unhappy with the results of the national team.

A demoralized squad when it arrived in Mexico, the team has reached the World Cup final against West Germany.

"I was taught never to look back, and that's something I have transmitted to my players. Our country is never going to get itself together *if we insist on looking back,"* Bilardo said when asked to respond, at last, to the criticism.

Bilardo has only one goal.

"The most important thing is the *result,"* he said. "When we left Argentina, many people said that we would not reach the second round . . . I always believed in the team and time has proved me to be right."

Bilardo is a man of conviction. Without it, he would have been crushed by the constant comparison with his predecessor and one of his harshest critics, César Luis Menotti, who coached Argentina to triumph in the 1978 World Cup.

For Bilardo, strategic planning is *the key:* "He who wins, knows; and he who loses, does not. Football is like that, and as such it must be understood."

He earned a medical degree at *the University of Buenos Aires,* but has devoted his life to soccer, both as a player and, later, as a coach.

He was a journeyman professional with three clubs: San Lorenzo de Almagro, Deportivo Español and Estudiantes de la Plata. In 1971 he retired to begin coaching, *at first with San Lorenzo and then* Deportivo Cali of Colombia.

He was Colombia's national coach in the 1980-81 season before coaching Estudiantes to the league championship in 1982.

Bilardo was accused of "anti-soccer" because of the team's tac*tics of neutralizing opponents; Es*tudiantes was charged with not coming to play and not allowing its opponents to do so.

But Argentina's soccer leaders, disappointed at the team's failure in Spain to defend the title it had won at home in 1978 — Argentina was eliminated in the second round — turned to Bilardo in 1983.

The decision was unpopular because Menotti had many supporters who approved of his aggressive style compared with the rigid, defensive formations fielded by Bilardo.

Living under Menotti's shadow for the last three years, Bilardo continued with his conservative game plan.

"We all have setbacks, and I had *mine in the last three years. In that* period, 17 Argentine players went abroad," Bilardo said, explaining the problems he had in pulling together the current national team.

One of Bilardo's major successes is that he has got Diego Maradona to play as a member of the team, rather than as an individual.

"Maradona plays for the team, which is what I was looking for," Bilardo said.

Bilardo and Maradona have developed a strong working relationship. Each admires the other and speaks highly of him in public.

"There is great mutual respect between us; perhaps he is closer to me *than with any other player,"* Maradona said.

For the moment, no cries of "anti-soccer" are to be heard and fans are content to celebrate each victory, no *matter how it is achieved.*

World Cup TV Listings

SATURDAY, JUNE 28

Belgium: France vs. Belgium, 8:00 P.M. (RTBF). Fra. vs. Belg., 7:45 P.M. (BRT).
Brazil: Fra. vs. Belg., 3:00 P.M. (Globo)
Britain: World Cup third-place match highlights, 10:45 P.M. (BBC1); highlights, 10:30 P.M. (ITV).
Denmark: Fra. vs. Belg., 7:45 P.M. (Denmarks Radio)
Finland: Fra. vs. Belg., 9:00 P.M. (TV2)
France: Fra. vs. Belg., 7:30 P.M. (TF1).
Greece: Fra. vs. Belg., 9:00 P.M. (ERT1)
Hong Kong—Sunday, June 29. Fra. vs. Belg., 1:45 A.M. (Jade Pearl).
Italy: Fra. vs. Belg., 7:20 P.M. (RAI2)
Japan—Sunday, June 29: Digest of second round and semifinals, 4:00 P.M. (CX1)
Netherlands: Fra. vs. Belg., 7:55 P.M. (Nederland 2).
Spain: Fra. vs. Belg., 8:00 P.M. (Ch.1)
Sweden: Fra. vs. Belg., 7:15 P.M. (TV1)
Switzerland: Fra vs. Belg., 8:00 P.M. (TSI, TSR).
West Germany: Fra. vs. Belg., 7:30 P.M. (ARD).

SUNDAY, JUNE 29

Belgium: Argentina vs. West Germany, 8:00 P.M. (RTBF). Arg. vs. W Germ., 7:45 P.M. (BRT).
Brazil: Arg. vs. W. Germ., 3:00 P.M. (Globo).
Britain: Arg. vs. W. Germ., 4:35 P.M. (BBC1); Arg. vs. W. Germ., 4:25 P.M. (ITV).
Denmark: Arg. vs. W. Germ., 7:45 P.M. (Denmarks Radio).
Finland: Arg. vs. W. Germ., 9:00 P.M. (TV2).
France: Arg. vs. W. Germ., 7:30 P.M., (Antenne 2).
Greece: Arg. vs. W. Germ., 9:00 P.M. (ERT).
Hong Kong—Saturday, June 28: Arg. vs. W Germ., 1:45 A.M. (Jade Pearl).
Italy: Arg. vs. W. Germ., 7:45 P.M., (RAI1).
Japan—Monday, June 30: Arg. vs. W. Germ., 2:55 P.M.; Fra. vs. Belg., 5:00 P.M.; Final match highlights, midnight (Ch.1).
Netherlands: Arg. vs. W. Germ., 7:55 P.M. (Nederland 2).
Spain: Arg. vs. W. Germ., 8:00 P.M. (Ch 1)
Sweden: Arg. vs. W. Germ., 8:00 P.M. (TV2)
Switzerland: Arg. vs. W. Germ., 8:00 P.M. (DRS, TSR, TSI).
West Germany: Arg. vs. W. Germ., 7:30 P.M. (ZDF).

Cash Comes Back New Player, Better Man

By John Feinstein
Washington Post Service

WIMBLEDON, England — One year ago, Pat Cash left here a confused, distraught young man. *He had been beaten by Ricardo* Acuna, a qualifier. His back hurt, and no one could tell him why. Bad as it all seemed, it got worse.

In the next 11 months, Cash underwent back surgery, did not hit a tennis ball for six months, played himself into shape. Then, three weeks before this Wimbledon began, he had an emergency appendectomy.

"It has not been my most enjoyable year," he said.

Strangely, though, it may have been a valuable year. In 1984, at age 19, Cash reached the semifinals at Wimbledon and the U.S. Open. He was hailed as the hero Australia had been seeking since the great players of the 1960s and 1970s retired. But he was excoriated for his *temper, his rudeness on and off the* court.

After he lost in the Open semifinals to Ivan Lendl in 1984 — he had a match point in the fifth-set tie breaker — Cash threw his racket five rows into the seats. He said then, and says now, that he was throwing it to a fan. But he was fined and chastised. "I wasn't that upset," he said. "But I do still see the lob he hit on match point. It had to be perfect and it was. I'll never forget that."

He is philosophical now.

"I was hotheaded, I admit it," he said. "But every time I got fined or did anything, it was all over the papers in Australia, and then I would get all upset. It went back and forth all the time. I had to learn to get pretty thick-skinned. I think I've done that."

In fact, those who know Cash say *that the last year has changed him* considerably. He is more patient, less arrogant and far more mature. He also came into this tournament ranked 418th in the world. Twelve months ago, he was eighth.

That was why Tuesday's straight-set victory over Guillermo Vilas was *impressive. Vilas is not a grass-court* player, but he is a good player. Cash was controlled, quick and, when he needed to be, overpowering.

"When I first came back after the *back surgery,"* he said, "I *thought* I'd come right back. Then I played some shocking matches in qualifying and I knew it wouldn't be so easy."

Maybe some things have come too easily. His ascension through the tennis ranks was rapid, and his little-boy grin and muscular build made him more of a star. He made a lot of money before he was 20 and thought he owned the world. His fall was as rapid as his rise.

"I kept playing and I kept losing," he said. "I didn't understand it. All of a sudden I had gone from being a top player to being an average one."

Surgery forced him to do some serious thinking about the talent he had taken for granted. "I thought a couple times that it might be over," he said. "That scared me."

When Cash did come back to the tour, in February, his ranking had fallen so low that he had to play qualifying matches. He lost. He got into two tournaments, and lost in the first round. But he never *stopped thinking he could come* back. Until the night of May 31.

That was a Saturday, four days after his son, Daniel, was born in Norway. Cash returned to London and awoke in excruciating pain. He went to a nearby hospital, was given pills and sent home, still in pain.

Two days later he was back, in surgery. But Cash was lucky. The doctor used a new technique, pulling back muscles to reach the appendix rather than cutting through them. As a result, Cash was back on a practice court 10 days later. Another 12 days and he was on Centre Court at Wimbledon, beating a seeded player, 6-4, 6-2, 6-3.

He not only handled Vilas easily,

Pat Cash

he is handling life better. "You *have to learn to live with people* and be patient with them," Cash said. "I know how good a *tennis* player I can be if I just keep working and don't let things bother me.

"I'm happier now as a person than I've ever been in my life. But I won't be satisfied until I've played to my potential. I honestly believe that my potential is to win Wimble*don and the U.S. Open and to be* the best player in the world."

He smiled.

"Sounds cocky, doesn't it? Maybe it is. But I know I can do it. All I want is the chance."

Bilardo Planning to Attack Constantly Against Germans

The Associated Press

MEXICO CITY — Argentina will counter West Germany's physical power with quick midfield passes and a constant attack "so that they can't catch their breath," coach Carlos Bilardo said Thursday as his team prepared for the World Cup final Sunday.

He told reporters at the Argentine camp on the outskirts of Mexico City that he was not worried about the possibility of tight, man-to-man marking on Diego Maradona.

"The one who has to be worried is Franz Beckenbauer, not me," Bilardo said, referring to the West German coach.

Within the Argentine delegation, it is believed that Hans-Peter Briegel will be put in charge of marking Maradona. "If it is Briegel, Maradona will know how to get free of him," Bilardo said.

Maradona said Briegel had marked him last season in the first division championship in Italy, where Maradona plays with Napoli. "I think I got free pretty well," the Argentine striker said.

However, at the West German camp in Querétaro, Beckenbauer said the job of guarding Maradona likely will go to Lothar Matthäus.

"Maradona has a clockwork in his legs and we need someone who can follow him around," said Beckenbauer, who is known to think that Briegel is too slow to mark the Argentine star.

Defensive midfielder Wolfgang Rolff, who guarded French midfield star Michel Platini in West Germany's 2-0 semifinal victory on Wednesday, is a doubtful starter because Beckenbauer considers him too slow to play against Maradona.

A's Change Managers, Not Style

The Associated Press

KANSAS CITY, Missouri — The Oakland A's changed managers Thursday, but not the way they play baseball.

They lost for the 18th time in their last 22 games, with Jorge Orta's inside-the-park home run during a four-run first inning leading the *Kansas City Royals to a 9-2 victory.*

That loss came hours after the A's fired Jackie Moore as manager and replaced him with bullpen coach Jeff Newman. Newman said he did not want the job permanently.

"Did I experience anything I didn't expect to" in the game? he asked rhetorically. "Yes. I really didn't expect them to score eight runs in the first two innings."

Of managing, he said: "In no way am I in the running for the job. I don't want to be considered."

Rudy Law drove in three with a double and a single and Willie Wilson got three hits as the Royals took an 8-1 lead in the first two innings.

The A's finished the 1984 season, Moore's first as a major-league manager, with a 57-61 record and in fourth place in the West Division of the American League. They were 77-85, and fourth again, last season.

Wilson singled leading off the Royals' first and scored on a triple by Lonnie Smith. Law doubled in Smith before Orta slashed a line drive into the left-field corner that got away from Dusty Baker and went for a home run.

The Royals loaded the bases in the second on singles by Jamie Quirk, Buddy Biancalana and Wilson. Smith got an RBI by drawing a walk from starter Rick Langford, then Law singled in Biancalana and Wilson and George Brett greeted reliever Dave Stewart with a single to make it 8-1.

Rangers 10, Mariners 3: In Seattle, Larry Parrish and Steve Buechele each hit two-run homers during a six-run first inning when Texas got eight straight hits en route to ending a three-game losing streak.

Tigers 8, Orioles 3: In Detroit, Lance Parrish hit two two-run homers and Walt Terrell held Baltimore to five hits for 8⅓ innings. The Tigers have beaten the Orioles in six of seven meetings this season.

Parrish now has 17 home runs and 50 RBI, which is excellent considering he has only 62 hits.

David Cullen/The Associated Press

Rudy Law was one of the few Royals tagged out by A's catcher Mickey Tettleton in the first two innings.

BASEBALL ROUNDUP

SPORTS BRIEFS

Irwin Leads by 1 in Golf

OAKVILLE, Ontario (AP) — Hale Irwin, in the worst slump of a long career, shot 4-under-par 68 Thursday for a one stroke lead after one round of the Canadian Open Golf Championship.

At 69 were Andy Bean, a two-time winner this season, Brad Fabel, Clarence Rose, Mike Donald, Denny Hepler and Dan Halldorson, who is seeking to become the first Canadian to win the title since 1954.

Seaver Trade Pushed

CHICAGO (AP) — The Chicago White Sox *will speed efforts to trade veteran pitcher Tom* Seaver to an East Coast team, the team's new manager, Jim Fregosi, said Thursday. Asked if a trade was imminent, Fregosi said, "I'd have to say so, yeah."

"I know *Tommy is unhappy and wants to go* back home, whether's it's to Boston or New York," Fregosi said. "He's had a great career and I can't blame him. If he doesn't want to be here, I think it's time for him to go."

For the Record

Dawn Run, the first horse to win both the Champion Hurdle and Cheltenham Gold Cup in England, was killed Friday by a fall that broke its neck on the backstretch of the *Grande Course de Haies,* the French hurdles championship, in Paris. *(AFP)*

Matt Biondi swam the 50-meter freestyle in 22.33 seconds to set his second world record in two days at the U.S. Swimming World Championship Trials in Orlando, Florida. *(AP)*

Quotable

● Abe Lemons, the Oklahoma City basketball coach, on coming within two strokes of winning a car in a golf tournament: "It was a hole-in-one contest, and I had a three." *(LAT)*

SCOREBOARD

Baseball

Major League Standings

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
New York	47	21	.691	—
Montreal	38	30	.559	9
Philadelphia	32	36	.471	15
St. Louis	32	37	.464	15½
Chicago	29	40	.420	18½
Pittsburgh	27	41	.397	20
West Division				
San Francisco	39	33	.542	—
Houston	38	33	.535	½
San Diego	37	34	.521	1½
Atlanta	35	36	.493	3½
Los Angeles	34	38	.472	5
Cincinnati	30	39	.435	7½

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	45	25	.643	—
New York	41	31	.569	5
Baltimore	38	32	.543	7
Milwaukee	36	33	.522	8½
Toronto	37	36	.507	9½
Cleveland	35	34	.507	9½
Detroit	34	35	.493	10½
West Division				
California	39	32	.549	—
Texas	39	33	.542	½
Kansas City	37	35	.514	2½
Chicago	30	40	.429	8½
Minnesota	29	42	.408	10
Oakland	29	45	.392	11½
Seattle	29	45	.392	11½

AMERICAN LEAGUE

Baltimore 000 100 101—3 5 2
Detroit 200 020 10x—5 13 0
Flanagan, Snell (7) and Demaskey; Terrell, Hernandez (9) and Parrish. W—Terrell, 7-5. L—Flanagan, 1-5. Sv—Hernandez (14). HR—Detroit, Parrish 2 (17).

Oakland 010 000 010—2 12 0
Kansas City 440 000 10x—9 12 1
Langford, Stewart (2), Behr (8) and Tettleton; Leibrandt, Quisenberry (9) and Quirk. W—Leibrandt, 8-5. L—Langford, 1-8. HR—Kansas City, Orta (2).

Texas 001 100 002—10 15 0
Seattle 000 000 000— 3 7 0
Hough, Mahorcic (8) and Mercedes; Guetterman, Firovid (1), Reed (4), Huismann (9) and Kearney. W—Hough, 7-3. L—Guetterman, 0-3. HRs—Texas, Buechele (12), Parrish (11), McDowell (11); Seattle, Kearney (3).

Tennis

Wimbledon Results

MEN
Second Round
Boris Becker (2), West Germany, def. Tom Gullikson, U.S., 6-4, 6-3, 6-2.
Third Round
Tim Mayotte (10), U.S., def. Tomas Smid, Czechoslovakia, 6-4, 6-2, 2-6, 6-2; Ivan Lendl (1), Czechoslovakia, def. Amos Mansdorf, Israel, 6-2, 6-4, 6-4; Christo Van Rensburg, South Africa, def. Robert Seguso, U.S., 5-7, 6-4, 6-0, 6-2; Slobodan Zivojinovic, Yugoslavia, def. Ken Flach, U.S., 6-4, 6-4, 7-5, 6-3.
Eric Jelen, West Germany, def. David Pate, U.S., 7-6 (7-3), 6-3, 6-4; Ramesh Krishnan, India, def. Joakim Nystrom (6), Sweden, 6-7 (6-8), 6-2, 7-6 (8-6), 6-4; Eddie Edwards, South Africa, def. Jakob Hlasek, Switzerland, 3-6, 4-6, 6-2, 6-3, 6-1; Matt Anger, U.S., def. John Sadri, U.S., 6-7 (5-7), 7-6 (8-6), 7-6 (7-2), 6-4.
WOMEN
Second Round
Gabriela Sabatini (10), Argentina, def. Catherine Suire, France, 6-3, 6-3; Isabelle Demongeot, France, def. Jenny Byrne, Australia, 6-4, 6-1; Terry Phelps, U.S., def. Susan Sloane, U.S., 6-4, 6-2; Elizabeth Minter, Australia, def. Jennifer Mundel, South Africa, 6-4, 6-1; Patty Fendick, U.S., def. Mary Lou Piatek, U.S., 6-0, 6-3.
Claudia Kohde-Kilsch (4), West Germany, def. Alycia Moulton, U.S., 6-2, 6-2; Bettina Bunge, West Germany, def. Larisa Savchenko, Soviet Union, 6-7 (2-7), 6-0, 7-5; Manuela Maleeva (8), Bulgaria, def. Susan Mascarin, U.S., 6-4, 7-6 (8-6); Elizabeth Smylie, Australia, def. Wendy White, U.S., 6-1, 1-6, 12-10.
Martina Navratilova (1), U.S., def. Jane Forman, U.S., 6-0, 6-4; Catarina Lindqvist (15), Sweden, def. Helen Kelesi, Canada, 6-3, 3-6, 6-1; Barbara Gerken, U.S., def. Anna Maria Fernandez, U.S., 5-7, 7-6 (7-5), 6-4.
Dianne Balestrat, Australia, def. Candy Reynolds, U.S., 6-2, 6-3; Raffaella Reggi, Italy, def. Hu Na, U.S., 6-2, 6-4; Kristin Kinney, U.S., def. Sara Gomer, Britain, 7-6, 7-6 (7-5), 6-3; Jo Durie, Britain, def. Nathalie Herreman, France, 6-2, 7-5.

Transition

HOCKEY
National Hockey League
ST. LOUIS—Named Jacques Martin coach.

Germany's Beckenbauer Returns to the Spotlight

By Alex Yannis
New York Times Service

GUADALAJARA, Mexico — He had always insisted that he would never coach once he retired as a player, but Franz Beckenbauer is coaching West Germany in the final of the World Cup against Argentina on Sunday.

"It was a crazy moment when I made the decision to coach," Beckenbauer said Thursday. "I know I kept saying I'll *never* coach, but I decided to do it because it was such a big responsibility."

At the end of his playing career, with the New York Cosmos from 1977 to 1980 and again in 1983, he savored New York's cultural delights and his friendships with opera stars Luciano Pavarotti and Plácido Domingo and other musi*cians and artists. What he enjoyed* most, however, was his anonymity.

In West Germany, where he was voted the most popular citizen in 1980, Beckenbauer could not eat in a restaurant "without the newspapers reporting my main course."

He has been back in the limelight since taking over the West German national team two summers ago.

"I *took the job* because the national league had been going down. Soccer in the whole country has been going down since 1974, when we were champions," he said, referring to the year he captained West Germany to the World Cup title. "Someone had to do something to *stop it,* and people kept saying I was the only one who could do it."

Beckenbauer, 40, is not a certified coach — West Germany has strict rules that all its professional coaches must graduate from the coaching school of the West German Soccer Association — and he is known as the technical director of the national team.

And when the team lost a World Cup qualifying game at home for the first time — to Portugal — Beckenbauer's critics descended like vultures. Those critics are silent now that West Germany is in the final.

"We have managed all this without any young players developing," Beckenbauer said. "We have to rely on the veterans, like the last World Cup. Sure, we reached the final four years ago, *too, but second is* not enough for me."

He added: "I'm beginning to like coaching."

"Look at this," he said, pointing a pad he was holding after emerging from a meeting with his players. "Busy, busy, busy with all kinds of things. There is little time, but I'm coming to New York next month and I would like *to play a little golf,* forget all about the World Cup."

Beckenbauer's main worry now is how to stop Argentina's potent attack and specifically Diego Maradona, who has scored *five* goals, four in the crucial last two games.

Beckenbauer used a heavily defensive strategy to counter the potent French, whom he called "the best team in the semifinals." That strategy beat France, 2-0. But Maradona does not play for France.

International Herald Tribune

WEEKEND

- *Kokoschka Exhibitions*
- *London Sales*
- *American Films*

CRITICS' CHOICE

WASHINGTON

American Folklife

■ The Smithsonian Institution's annual Festival of American Folklife, which over the years has celebrated moonshiners, totem pole carvers, net weavers, hog callers, lye soap ladlers, sausage stuffers and illusionists, among others, has opened its 20th annual edition, spotlighting the folkways of the United States's trial lawyers. Given the subject, some people are saying that it's a bit of a wager. If the trial lawyers are the biggest wager of this year's festival, they are far from the only one. The same minds that in years past have planted fields of cotton and tobacco on the Mall, built a race track there and even drilled for oil will this year create a working rice paddy as part of a program on the culture of Japan. Rice will be planted, harvested, sung about, cooked, eaten and made into sake. Rice straw will be woven into dolls, boots, raincoats, tatami mats and textiles.

(WP)

BEIJING

Pavarotti in China

■ Luciano Pavarotti began a two-week engagement Tuesday in China, where a vogue for Western opera is overshadowing the traditional operatic forms. At a cost of $4 million, the Municipal Opera Theater of Genoa sent Pavarotti, the opera's orchestra and chorus, and 20 tons of equipment aboard a chartered jumbo jet. The Chinese, who are paying living expenses but no fees, have responded energetically. Before the opening concert at the 2,700-seat Peking Exhibition Center theater, local enthusiasts were paying scalpers up to $20 a ticket — three weeks' pay for most urban dwellers.

(NYT)

PARIS

Varga Exhibition

■ The Hungarian sculptor Imre Varga is perhaps best known for his monumental bronze statues of political men, artists and mythical figures, as well as for his devastating commemorations of the soldiers of World War II. Sixty of his works can be seen through July 17 in and around the *Mairie* of the first *arrondissement*.

Fini's Females

■ Léonor Fini's dreamy, erotic world of provocative females and larger-than-life felines is documented in a major retrospective at the Musée du Luxembourg in Paris. Fini, 67, was born in Buenos Aires, brought up in Trieste and moved to Paris when she was 17. She divides her time between her cat-cluttered (17 by one count) apartment in Paris and a summer home in the Loire. The show, through July 15, offers a wide sampling of her work, with about 70 oils, 100 drawings and watercolors, and a scattering of book illustrations and theater and film designs.

HILDESHEIM

Ancient Mexico

■ An exhibition of ancient art objects from Mexico, representing 3,000 years of civilization, opens June 30 at the Roemer-und-Pelizaeus-Museum in Hildesheim, West Germany. Called "Splendor and Fall of Ancient Mexico — The Aztecs and Their Predecessors," the exhibition consists of 357 works of art dating from the second century B.C. to the early 16th century, when the Spanish brought down the Aztec empire. Stone and clay sculptures, ceramic artifacts, colorful masks and gold jewelry are on loan through Nov. 9 from 33 museums, including the Mexican National Museum for Anthropology and History.

The beauty of the Kirov remains, as always, its female corps de ballet.

The Kirov: Myth and Reality

by Anna Kisselgoff

NEW YORK — The Kirov Ballet from Leningrad has come and gone. A monthlong tour took it from Expo 86 in Vancouver, through Los Angeles, Philadelphia, Trenton, Wolf Trap near Washington, D.C., Montreal and Ottawa.

New York was not on the itinerary during this first North American visit in 22 years: American Ballet Theater and the New York City Ballet were occupying the suitable theaters during the time the Kirov extended its planned Canadian tour into the United States. The extension came after the recent cultural exchange agreement between the United States and the Soviet Union. That does not mean balletomanes have not traveled to catch up with the fabled Russian company.

In Ottawa, I met a couple who had driven from Kalamazoo, Michigan, just to see the Kirov, while others were reputed to have flown up from Houston.

There is certainly great interest on the part of the American public in the Kirov, for two obvious reasons. One is that the well-educated dance audience is now larger than ever, and more people are aware of the major role the Kirov, in czarist days the Maryinsky, has played in developing a supreme model of classical style and technique in ballet. A second reason is that it is the Kirov Ballet or its school that produced great dancers such as Rudolf Nureyev, Mikhail Baryshnikov, Natalia Makarova and in an earlier phase, George Balanchine and other choreographers and dancers who became alumni of Serge Diaghilev's Ballets Russes in the West.

Myth and reality should not be confused, however. And there is some evidence on this visit that the Kirov, while enjoying indisputable public success (standing ovations from a normally reserved audience in Ottawa) has engendered considerable discussion among critics and balletomanes. Having seen the Kirov in a wider repertory in Paris in 1982, I suggest the company should be seen in a balanced light. The beauty of the Kirov remains, as always, its female corps de ballet, which in the final analysis is the measure of a ballet company. By this measure, the Kirov remains a great company.

At the top, however, the picture is more uneven. It is not true that the company has no principals worthy of the name, as some have contended. What is true is that there is no dancer comparable to Nureyev, Baryshnikov or the late Yuri Soloviev. But one cannot entirely agree with the statement by Oleg Vinogradov, the Kirov's artistic director, that there is a "general crisis in male dancing" in ballet today. The evidence is that Western ballet has recently superseded Soviet ballet in this regard. Even in the last decade we have seen Anthony Dowell, Peter Martins, Helgi Tomasson, Fernando Bujones, Peter Schaufuss (if one excludes Baryshnikov and Nureyev) and the fantastic new breed of French male dancers led by Patrick Dupond. Moreover, dancers like Kevin McKenzie, followed by Danilo Radojevic and others, dance on an artistic and technical level that is openly superb.

Constantin Zaklinski, and, right, Galina Mezentseva.

ALAP

This is not the level of male dancing we have seen consistently at the Kirov and while Vinogradov is partially right (Martins and Tomasson have retired, Dowell, Nureyev and Baryshnikov are no longer dancing the full classical repertory), the weakness on the male side seems to be a new problem — in Britain's Royal Ballet and the Kirov, for instance. Is it rooted in the teaching at the Kirov school? Or is it merely that one has to wait for another good crop of dancers to come along?

The promise is already there in soloists like Alexander Lunev. With a deceptive stocky physique that molds itself into an image of boyish masculine elegance, this young dancer offers a rare combination of classical purity and lyrical power. His high leaps spring softly upward, only to land with an astounding gentleness, facilitated by an extraordinarily resilient plié. Polished and beautifully placed, this is male classical dancing of quality.

It is evident that Konstantin Zaklinsky and Marat Daukayev, the new generation's main male principals, have improved their technique since 1982. They are not spectacular by today's standards but they are certainly of "principal" caliber. Partnering his wife, Altynai Asylmuratova in the "Shades" scene of "La Bayadère," Zaklinsky was unusually inspired, demonstrating the right energy, line and gestural grandeur.

Dancers like Yelidar Aliyev, seen in Vinogradov's new "Knight in the Tiger's Skin," are demi-caractère dancers who have a commitment to male bravura that is specifically Russian. Yevgeny Neff suggests a dancer more at home in contemporary ballets than classical ones, and Sergei Berezhnoi did not look as secure as four years ago. Does the Kirov meet the standards of male dancing now common in the West? It all depends upon the cast on view, and this inconsistency is already a weakness.

The women's side presents a very different picture. Asylmuratova, "discovered" by Western critics in 1982, now has to live up to rising expectations, and this she does despite an uneven technique. Yet, technique can be developed and strengthened, while the kinds of inner glow and charis-

Continued on page 9

Going Bats: Furry Fliers Need New Image

LONDON — Many people simply don't much care for bats. In Kenya a woman tourist once ran directly into the path of a passing buffalo rather than share a verandah with one, and the image of bats in literature is sharply negative. Bram Stoker did nothing for bats

MARY BLUME

when he invented Dracula. The witches in "Macbeth" stirred wool of bat into their noxious brew and the Devonshire novelist Eden Phillpotts invented the phrase "bats in the belfry." T.S. Eliot in "The Waste Land" referred to the whistling of bats with baby faces in the violet light.

Bats don't whistle. They squeak. And if Eliot actually saw a species with a face as pretty as even the croupiest baby's, he was in exceptional luck.

The naturalist's paradise, England, on the other hand, abounds in bat lovers who grieve at the fact that a lot of people don't like bats or think they will get in their hair (they won't) or do not wish to share a house with them. There are about 50 British bat groups with some 1,000 members, and the Fauna and Flora Preservation Society, Britain's oldest conservation group, has succeeded in having 1986 designated National Bat Year.

The event is being celebrated by a quarterly review, "Bat News," by many books and by a "Batalogue" of objects such as silver earrings that dangle head down, like a sleeping bat. A Cornish group has come up with small sachets of bat guano that sell for 50 pence each. Bat guano is said to be especially good for house plants.

Bachelor bat: the last mouse-eared specimen in England.

The Fauna and Flora Preservation Society recently named its first Bat Conservation Officer, Tony Hutson (known locally as Mr. Batman), and works closely with the Mammal Society's bat group, which was founded with the encouragement of the late Lord Cranbrook, who took a keen interest in the noctule bats that frequented his Suffolk garbage dump.

The chief event of National Bat Year is being held through June at the Natural History Museum in London, where an exhibition is dedicated, in the words of a press release, "to improving the public image of the bat."

Mr. Batman agrees that bats have a poor image. "Bats," he said, "spend all day tucked away in places where they can't really be seen, and come out at night and do strange things in strange ways. It's difficult for people to understand how they work and what they're up to."

Bats are the world's only flying mammal, and they are one of Britain's most endangered animals despite stringent protective measures under the 1981 Wildlife and Countryside Act. While there are about 1,000 species of bat worldwide, there are only 15 species in Britain, including one solitary mouse-eared bat, a Sussex-born bachelor aged 14 who is the only known survivor of his kind.

Bats can live to the age of 30. They are gentle, shy, intelligent, furry; they suckle their young and have a complex social life. They do not breed until their second to fourth year, and produce a single baby, which is raised with great care in a nursery. They are not blind, and they have an extremely keen sense of hearing, which enables them to find their bearings by echolocation and thereby avoid people's hairdos. They hibernate from October to April and spend much time grooming, especially before and after feeding. The tiny pipistrelle bat may eat up to 3,500 insects each night. British bats eat only insects; the vampire bat, with its deplorable eating habits, frequents Central and South America.

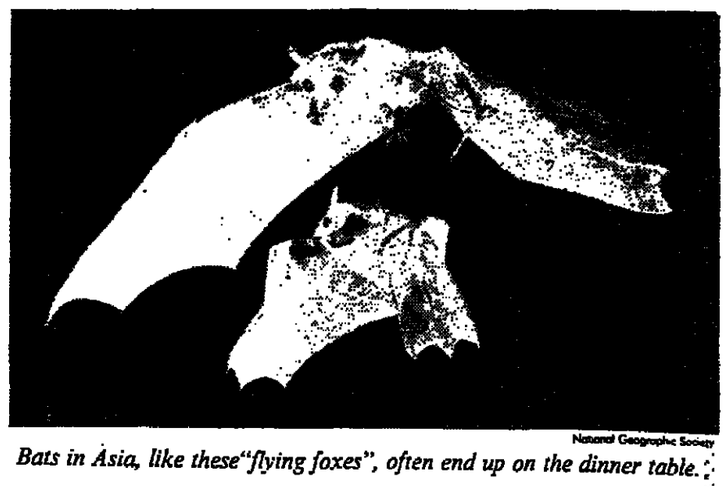
Like most of us, bats prefer to live in clean, draft-free buildings, sometimes moving into a new house before it is finished. There is no significant health risk in sharing a house with a colony of bats, and many people, it is claimed, enjoy having them there.

Those who don't like having bats around had better watch their step. Under the Wildlife and Countryside Act it is an offense to damage, destroy or obstruct access to any place that a bat uses for shelter or protection, including private houses. You may leave food for an abandoned baby bat (milk, insects, scrambled eggs, chopped liver, canned pet foods and mealworms are recommended), but only qualified bat workers are allowed to handle the creatures.

No suggestions are made as to what sedative to take until the bat worker comes, but the Nature Conservancy Council claims that about half the householders visited by bat workers agree to keep their bats, and only 4 percent later change their minds.

Those who decide to keep their bats are informed by bat workers that bat droppings consists of the skeletons of insects and, unlike the droppings of rodents, dry to dust. They are not corrosive to paintwork, although bat-urine spotting can be a problem on marble, brass or varnished surfaces. Those who decide to keep their uninvited guests are not allowed to touch or cuddle them.

In some parts of Asia bats end up on dinner plates. This is of course illegal in Britain. But British bats need protection because heedless people spray crops, treat wood with substances poisonous to bats and often fell hollow trees and fill in disused mineshafts. This may save human lives but is perfectly beastly for bats, whose numbers in Britain are reckoned to have declined by 50 percent in the past six years. Those who think this is good news should move to the back of the class.



National Geographic Society

Bats in Asia, like these "flying foxes", often end up on the dinner table.

Anyone interested in finding housing for homeless bats is encouraged to contribute £8 to the Fauna and Flora Preservation Society for the building of bat boxes, which are affixed to trees. Contributors will receive, for three years, annual reports on the success of their housing project.

In a final attempt at the Natural History Museum to improve the bat's image — somehow, the close-up photographs of their tiny faces don't quite do the trick — the last showcase contains foods (supplied by Sainsbury's) whose growth bats assist through seed dispersal. The items on view include a mango, cashew nuts, chewing gum, figs, vanilla, an avocado and a bottle of tequila.

For those who have learned to live with bats, there are always further challenges in nature-loving Britain. The other day on BBC Radio 4, a naturalist was saying that he couldn't understand why people weren't pleased to find silverfish in their bathtubs, while another radio station had a program on tarantulas — specifically, on what to do with a tarantula that has been frightened by a person. ■

WEEKEND

Dichotomy Between Art and Lifestyle

by Max Wykes-Joyce

LONDON — In 1908 the 22-year-old Oskar Kokoschka was invited to mount his first one-man show in Vienna. He exhibited three lifesize cartoons for tapestries; the eight colored lithographs for "Die Traumenden Knaben" (The Dreaming Youths); a picture book that he later described as his first love letter, addressed to a fellow art student, Lilith Lang; an Art Nouveau poster for the show — "Die Baumwollpflückerin" (The Cotton-picker); ten drawings; and a sculpture.

As a result of the show he was feted in avant-garde Vienna, introduced to the architect Adolf Loos and praised by the most influential of his seniors, Gustav Klimt, as "the greatest talent of the younger generation." Yet Kokoschka wrote at the time to his friend Erwin Lang, "I can't stand it here any longer, everything is as rigid as if no-one was heard to shout. . . . I often feel so glum I cover my head with the quilt and scream, simply to do something real."

This dichotomy between art and lifestyle seems to have dogged Kokoschka until his later years. Even in the matter of artistic reputation he was too long renowned only for his pre-1914 portraits and his 1930s city-scapes, yet as a centennial retrospective of more than 240 works at the Tate Gallery demonstrates, these were but two aspects of a protean talent.

Religious images recur in his work from "St. Veronica with the Sudarium" (1909) to "Ecce Homines" (1972), the cartoon for a mosaic Kokoschka designed as an altarpiece for the modern church of St. Nikolai in Hamburg.

In between are "The Annunciation" (1911); "The Visitation" (1912); "The Flight Into Egypt" (1911-1912), a Grecoesque work of people with long, oval heads and long, expressive hands with tapering fingers; "The Crucifixion" (1912); six lithographs on the theme of "The Passion of Christ" (1916); a blue crayon "Crucifixion" (1917), the latter two made under the shock of war service (Kokoschka had joined the Dragoons in 1914, been severely wounded in August 1915 and badly shell-shocked a year later); and a pencil drawing of "Christ Comforting the Hungry Children" (1945), based on Mathias Braun's sculpture of the "Vision of St. Liutgarde" on the Charles Bridge in Prague.

Throughout his long working life, Kokoschka's portraits were one of the mainstays of his art, though those done before 1914 were little appreciated outside his circle. The tremendous Expressionist portrait of his patron and friend Adolf Loos was paid for by the price of a made-to-measure suit from the workshop of the emperor's tailor, Ernest Ebenstein. In return for another suit, Kokoschka painted a portrait of Ebenstein and took from him, as he said in his autobiography, his first practical lessons in anatomy: "While he was taking my measurements . . . I learned the anatomy which has to be taken into account if the body is to move freely, with true elegance, in the clothes. It was a far cry from the anatomy class at the school of Applied Art, where I remember being sick when the Professor demonstrated on a corpse."

Not until 1927, however, did his European fame as a portraitist take off, with a great show of his portraits of "People and Animals" at the Cassirer Gallery in Berlin, arranged by Cassirer's successors, Grete Ring and Walter Feilchenfeldt; the latter, with his children, later became Kokoschka's dealers in Switzerland. The artist had by that time portrayed, among others, his erstwhile great love, Alma Mahler; Dr. Heinrich von Neumann, the specialist who had treated him for his war wound; the English avant-garde poet and publisher Nancy Cunard, whom he painted in Paris in 1924; and the dancer Adele Astaire, who sat for him in London in 1926 ("She is on very good terms with the Royal Family," he wrote in a letter home to Vienna, "especially the Prince of Wales. That's why I'm painting her").

About this time Kokoschka twice visited Venice, and acquired the habit of viewing cities from high points and portraying them with multiple perspectives. He made his first experiment in 1924 at the Hotel Danieli, where he painted "Boats at the Dogana" from "two different windows, two different angles of vision, so that I doubled the width of my visual field" — an experiment he repeated in 1927, painting the Santa Maria della Salute from the windows of the Hotel Europa-Britannia (now the Bristol). From 1924 he applied the principle almost every time he painted a townscape.

So powerful are these images that one tends to forget the lyrical Kokoschka, which manifests itself in two ways — in the pure painting of "The Lovers (Two Nudes)" (1913), "Deer" (1926), "Plodda Falls, Scotland" (1929), "The Acrobat's Family" (1946), "The Feilchenfeldt Brothers" (1952) and "Power of Music" (1966); and in the astonishing variety of drawings and watercolors, the Tate selection of which is richly complemented by a show at the Marlborough Fine Art gallery.

Ranging in time from the crayon and watercolor "Reclining Woman Leaning on Elbow" (1913) to the 1972 watercolor "Spring Flowers With Pink Tulips," a nostalgic echo of the Japanese prints that had delighted the teen-age Kokoschka in the library of the art school in 1904, the works in the Marlborough showspendidly chart the progress of Kokoschka from arrogant, elegant and self-questioning youngster to his serene last years.

"Oskar Kokoschka 1886-1980," Tate Gallery, London through Aug. 10; Kunsthaus, Zurich, Sept. 4 through Nov. 9; Guggenheim Museum, New York, Dec. 9 through Feb. 15.

"Oskar Kokoschka: A Selection of Important Works on Paper," Marlborough Fine Art, 6 Albemarle Street, London W1, through July; Marlborough Gallery Inc., 40 West 57 Street, New York, December 1986 through January 1987. ■

Max Wykes-Joyce writes regularly in the IHT on London art exhibitions.

Portrait of Adolf Loos, 1909, by Oskar Kokoschka.

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Biennale: Uncertain Meld of Art and Technology

by Michael Gibson

VENICE — "Art and Science" is the sweeping theme of the 42d Venice Biennale, the largest ever, which opens Sunday with the participation of 40 countries. The venture is ambitious, but the results are markedly uneven, with six thematic shows presented in the central pavilion and in other locations around Venice (the Arsenal, the Palasport and the Galleria dell'Accademia).

The subjects covered are:

• The "Representation of Space," a section that presents some excellent reconstructions of illusionist effects in art and architecture elaborated during the Renaissance.

• "Art and Alchemy," which includes some charming 16th- and 17th-century treatises on this pseudo-science in which fantasies on the properties of matter ran rife. The major part of the section, however, is a labyrinthine hodge-podge organized by Arturo Schwartz, who applies some dubious Jungian concepts to art works of the 20th century, some of which no doubt explicitly refer to alchemy but most of which merely offer convenient analogies.

• The "Wunderkammer," or curio collection — predominantly antiquarian, affording a delicious glimpse of the ingratiating and often naïve post-Renaissance taste for natural oddities and wonders. The section includes a remarkable reconstruction by the artist Paolo Tessari of a cabinet of curios assembled by his ancestor Giovanni Domenico Tessari in the 1650s.

• The "Color" section, which is, predictably, devoted to various theories of color, elaborated with a view to scientific systematization.

• "Technology and Computers," which presents works that attempt to use recent technology in poetic ways (one of the more effective items is an installation by the Canadian David Rokeby in which video cameras analyze the movements of passing visitors and feed the information into a synthesizer that turns them into music).

• "Science for Art" (at the Accademia), devoted to modern techniques of restoration.

Shows in the national pavilions occasionally follow the lead given by these exhibitions, but more often they do not.

The U. S. pavilion is devoted to the sculpture of Isamu Noguchi, but these works are somewhat weakened by being presented together with Noguchi's designs for Japanese white paper lanterns.

France is showing Daniel Buren, Austria the sensual and austere sculpture of Karl Prantl, and Brazil the sumptuous feather ornaments of the Wai-Wai Indians.

On the whole, the Biennale, which runs through Sept. 28, reflects uncertainty about what to do next. Technology can sometimes be a tool, but it is certainly not an answer to the current artistic woes. ■

July Calendar

AUSTRIA

VIENNA:
●Historical Museum of the City of Vienna (tel: 42.8.04).
— To Aug 31: Adolf Loos, interiors.
●Museum of Applied Art (tel: 72.56.96).
— To Sept. 28: "Loetz Glasses 1895-1905."
●National Library (tel: 52.16.84).
— To Oct. 31: "Bibliotheca Eugeniana: The Collection of Prince Eugene." The Austrian military leader's private library is on exhibit as part of the commemoration of the 250th anniversary of his death.

BELGIUM

BRUSSELS:
●C.G.E.R. (tel: 213.66.20).
— To July 13: The history of stained glass windows in Belgium, from the middle ages to the present day, including recently discovered tools and materials from the 13th-15th centuries.
●La Louve, Credit Général de Banque (tel: 516.12.11).
— To Sept. 5: Walloon posters and poster artists, 1840-1940.

ENGLAND

LONDON:
●Barbican Centre (tel: 638.41.41).
— To July 20: Cecil Beaton: A retrospective of the photographer's work.
— To July 28: Feeling Through Form: Works by eight contemporary British sculptors.
●Clarendon Gallery (tel: 439.45.57).
— To Aug. 1: The Art of the Pastel, includes a selection of 18th century English pastels and contemporary works in pastel.
●Institute of Contemporary History and Wiener Library (tel: 636.72.47).
— To July 8: The 1936 Olympic Games in Hitler's Germany.
●Tate Gallery (tel: 821.13.13).
— To July 20: Eight paintings by New York artist Terry Winters.
— To Aug. 31: Prints and sculpture, 1984-86, by Barry Flanagan.
— To Aug. 10: Oskar Kokoschka (1886-1980): Over 200 paintings are exhibited in this retrospecitive marking the centenary of Kokoschka's birth.
— To Aug. 31: Jasper Johns: "Savarin" monotypes.
●Victoria and Albert Museum (tel: 589.63.71).
To Aug. 31: American Potters Today.

FRANCE

BORDEAUX:
●Galerie des Beaux Arts.
— To Aug. 25: Paintings and prints by Pierre Bonnard, including 34 works from before 1910, relatively early in the artist's career.
PARIS:
●Centre Georges Pompidou (tel: 42.77.12.33).
— To Aug. 24: Recent works by Toni Grand and Enzo Cucchi.
July 3-Oct. 13: A showing of 250 works of sculpture that draws on widely divergent schools between the years 1900-1970, under the title, What is modern sculpture?
●Centre de Wallonie-Bruxelles (tel: 42.71.26.16).
— To Sept. 7: Artistic Treasures from the University of Liège: Engravings and drawings from a collection of over 20,000. Works by Dürer, Rembrandt, and Lucas Cranach are among 100 engravings on view.
●Galerie Schmit (tel: 42.60.36.36).
— To July 19: French Masters of the 19th and 20th Century.
●Grand Palais (tel: 42.61.54.10).
— To June 30: Rembrandt to Vermeer: Dutch paintings from the Mauritshuis museum in The Hague.
— To July 28: 250 works of 19th century French sculpture, including works by Rude, Bourdelle, Maillol, Degas.
●Hotel de Ville, Salle Saint-Jean (tel: 42.76.51.53).
— To Aug. 24: George Grosz in Berlin: 150 works by the caricaturist and satirical artist from the years 1912-1932.
●Louvre des Antiquaires (tel: 42.97.27.00).
— To Sept. 6: Three Centuries of Spanish-American Gold and Silver Work; 17th-19th century works from the Fernandez-Blanco museum in Buenos-Aires.
●Musée Bourdelle (tel: 45.48.67.27).
— To Sept. 28: Arbit Blatas and the School of Paris.
●Musée Cernuschi (tel: 45.63.50.75).
— To Oct. 12: Animal art motifs in Japan from the the time the Shoguns, 18th-19th centuries.
●Musée d'Art Moderne (tel: 47.23.61.27).
— To Sept. 21: African and Oceanic Masks and Sculpture: 110 works from a private collection.
— To Sept. 7: Nouveaux Réalistes: 110 works by 13 artists of the movement dating from the early 1960s and including Yves Klein, Arman, César, Christo.
— Furniture and Objets d'Art, 1920-37.
●Musée du Louvre (tel: 42.60.39.26).
— To Sept. 29: Words in Drawing: 130 recently acquired drawings of the 16th-18th century, including Dürer, Felicien Rops, Delacroix, Ingres, Goya. The exhibition analyzes a work's ability to communicate through its title, signature, inscriptions, and poetic allusions.
NICE:
●Musée International d'Art Naïf (tel: 06.88.11.34).
— To Sept. 29: Retrospective of the work of Emile Crociani.
●Musée National Message Biblique Marc Chagall:
— July 5-Oct 6: Religious themes in the painting and drawing of Delacroix.
●Musée Matisse (tel: 93.62.12.12).
— July 3-Sept. 30: The opening of the Musée Matisse is the occasion for four exhibitions related to the work of Henri Matisse. "Matisse and Tahiti" includes drawings, gouaches, and works by contemporaries (Redon, Rousseau, Gauguin), at the Galerie des Ponchettes (tel: 93.62.31.24). Photographs and portraits of Matisse by Cartier-Bresson, Capa, and Brassaï are among the photographs shown at the Musée des Beaux Arts Jules Chéret (tel: 93.44.50.72). Books illustrated by Matisse are exhibited at the Musée Matisse, in addition to the Museum's permanent collection.

GERMANY

DUSSELDORF:
●Kunstmuseum (tel: 899.24.60).
— To Oct. The Passion: 60 Drawings by German expressionist Otto Pankok from the 1930s.
●Stadtmuseum (tel: 899.61.70).
— To Aug. 17: Paintings and drawings by Carl Barth (1896-1976).
HAMBURG:
●Hamburger Kunsthalle (tel: 24.82.5).
— To June 29: German and Dutch Renaissance drawings (1445-1636) from the collection of the Ecole des Beaux Arts in Paris.
MUNICH:
●Neue Pinakothek, Staatsgemäldesammlungen (tel: 23.80.50).
— July 2-Aug. 10: In Search of the Golden Age: Dutch painting from the first half of the 19th century, from European museums and collections.
STUTTGART:
●Staatsgalerie (tel: 212.50.50).
— To Aug. 10: 200 drawings, and 11 sculptures by the Greek artist Joannis Avramidis.

ITALY

FLORENCE:
●Museo Alinari, Palazzo Rucellai.
— To July 15: Ruskin's Florence: Daguerrotypes of Tuscany and Veneto from the Ruskin collection.
MILAN:
●Padiglione d'Arte Contemporanea (tel: 78.46.88).
— To July 7: Eight Italian Painters, 1952-54. Afro, Birolli, Corpora, Moreni, Morlotti, Santomaso, Turcato, Vedova.
— To July 7: Works from the years 1921-75, by Fausto Pirandello, and Alberto Savinio, dating from 1925-52.
ROME:
●Museo Nazionale delle Arte Tradizioni.
— To Nov. 30: Nearly 500 works of 19th century gold- and silverwork by Italian craftsmen.
VENICE:
●Ca' Pesaro.
— To Oct. 5: Private collections from Europe and North America contribute to an exhibition of 160 works by Swiss artist Paul Klee; on view are works ranging from 1896 to 1940, the year of the artist's death.
●Palazzo Ducal (tel: 249.51).
— To July 20: "Venice and the Defense of the Levant, Lepanto to Candia (1570-1670)."
●Palazzo Grassi, (tel: 710.711)
— To Oct. 12: Futurismo & Futurismi. A comprehensive review of the various aspects of the Futurist movement.

THE NETHERLANDS

AMSTERDAM:
●Rijksmuseum (tel: 63.21.21).
— To Sept. 9: French Graphic Art 1860-1900: Etchings of the Impressionist school juxtaposed with works by lesser known artists.
●Stedelijk Museum (tel: 573.29.11).
— To July 20: Retrospective of works (1951-84) by François Morellet.
DELFT:
Musée Prisenhof.
— June 28-Sept. 14: Delft porcelaine from 1850 to the present.
EINDHOVEN:
●Van Abbemuseum (tel: (40).44.92.31).
— To Nov. 9: The museum celebrates its 50th anniversary by exhibiting for the first time its entire collection of 1,500 works of 20th century art.
LEYDEN:
— To Sept. 22: Treasures From Turkey: An overview of the civilizations of the Anatolian peninsula; 400 objects from 20 different museums in Turkey, including the Topkapi museum in Istanbul.
ROTTERDAM:
●Museum Boymans-van Beuningen (tel: 36.05.00).
— To Aug. 17: A selection of works from the museum's collection, including 100 17th-century Dutch paintings, and 2 restored paintings by Bosch.

SCOTLAND

EDINBURGH:
●National Gallery (tel: 556.89.21).
— To July 13: Prints and watercolors by William Blake from the Gallery's collection, including the series of 21 line engravings illustrating the Book of Job.

SPAIN

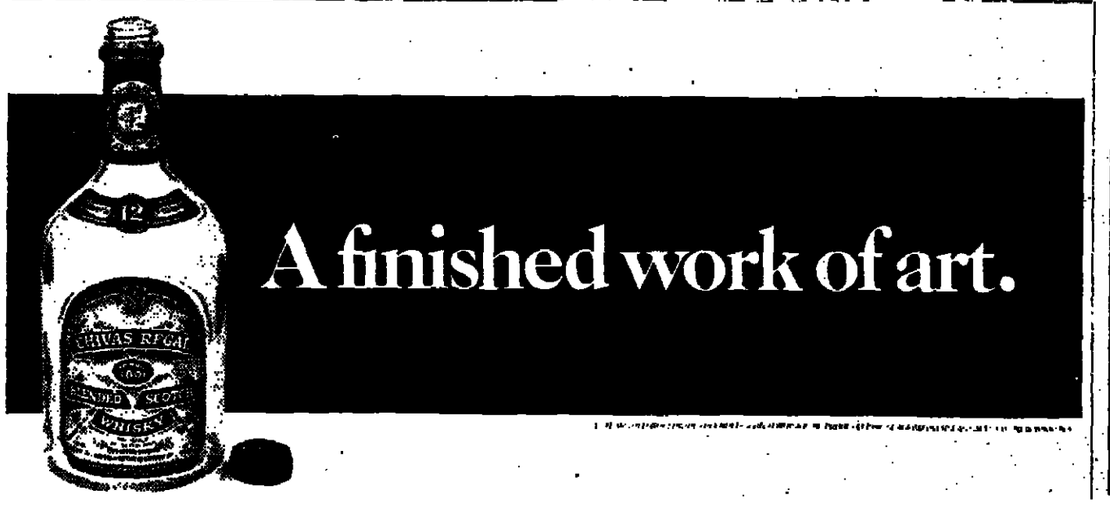
BARCELONA:
●Palacio de la Virreina.
— To Aug. 30: Modern Masters of the Thyssen-Bornemisza collection: Over 100 paintings, including 70 from between 1900-1930 by the best known Impressionist and Cubist painters.
MADRID:
●Caja de Pensiones, (tel: 435.51.43).
— To Aug. 3: "Women in Pharonic Times": 100 objects from the Egyptian Museum in Cairo.
●Palacio de Velasquez and Crystal Palace, Parque del Retiro (274.77.75).
— To July 31: American sculpture, 1965-75: 40 works from the Whitney Museum in New York. Among nine artists represented are Ricahrd Serra, Robert Smithson, Eva Hesse and Joel Shapiro.
●Spanish Museum of Contemporary Art (tel: 449.71.50).
— To June 30: A selection of the painting of Claude Monet; 123 works, from collections in eighteen countries, give an overview of the artist's career.

SWITZERLAND

LUGANO:
●Villa Favorita.
— To Oct. 15: Works by Goya from private Spanish collections.
MARTIGNY:
●Fondation Pierre Gianadda (tel: 026.39.78).
To Nov. 2: Over 200 works by Alberto Giacometti, in commemoration of the 20th anniversary of the artist's death.

UNITED STATES

CHICAGO:
●The Art Institute (tel: 443.36.24).
— To Sept. 7: An historic exhibition of Japanese Buddhist art — sculpture, paintings and ritual objects, from the 8th-18th centuries. The 151 objects comprising the exhibition, from the temple complex of Todai-ji, in Nara, the center of Japanese Buddhism, have never before been shown outside of Japan.
NEW YORK:
●Cooper-Hewitt Museum (tel: 860-6868).
— To July 6: "La Nijinska — A Dancer's Legacy." A tribute to choreographer Bronislava Nijinska.
●Guggenheim Museum (tel: 360.35.00).
— To July 6: Enzo Cucchi: Recent works are featured in the artist's first major exhibition in the U.S.



DOONESBURY

WEEKEND

Optimism of Private Buyers

LONDON — The tidal wave of optimism that carried Impressionism and modern art at New York auctions in May continued unabated here this week. It affected almost every aesthetic trend from the watered-down version of Impressionism devised by Henri Fantin-Latour to the most strident forms of German Expressionism. What makes the prices paid in London so significant is that in several cases they were given for works of no great distinction or rarity.

Impressionists in particular — which are rapidly disappearing from the market — were poorly represented. Fantin-Latour is little more than a fellow traveler of that school. His brushwork in strokes and dots may be typical of Impressionism, but he lacked its most essential characteristic — the handling of light. While the world record for the artist — set May 13 at Sotheby's in New York with a still life for $1.54 million — still stands, the price of £594,000 ($891,000) paid Tuesday at Sotheby's for another still life, "Capucines," is almost as surprising.

True, the vase of nasturtiums is an enchanting picture done in an unusual palette. Delicate shades of torquoise green for the leaves and glowing red for some of the flowers are set off by the subtle mauvish-brown and olive-brown background. The painting, which was reproduced in color in the catalog of the major Fantin-Latour exhibition at the

Still life by Juan Gris which fetched £1.37 million at Sotheby's.

SOUREN MELIKIAN

Grand Palais in Paris three years ago, falls outside recognized trends. The detail is far too precise and the outline too crisp for the still life to qualify as Impressionist art. It is romantic in mood and almost academic in technique. Atypical pictures do not generally age well, but this one did brilliantly.

Another Fantin-Latour that was neither very original nor in good condition — it has undergone the abrasive treatment before refurnishing that is so often favored in the United States — sold for £330,000, also a breathtaking price. Christie's had similar luck with a third flower still life, which sold for £345,600. Apparently, Fantin-Latour serves as a substitute for the now unavailable Impressionists.

So does Boudin, founder of the Honfleur school, who exercised considerable influence over Claude Monet, the initiator of Impressionism, but who never really adjusted to the Impressionists' style when it was fully developed by about 1872-73.

On Tuesday, Sotheby's scored with a mi-

Modigliani portrait of Jeanne Hébuterne drew £1.94 million at Christie's.

nute Boudin view of a crowd on a beach at Trouville. The picture, measuring 17.3 by 35.5 centimeters (6.8 by 14 inches), soared to an astounding £165,000. Painted in 1874, a year when the landscapes of Monet and Renoir were sparkling with light distilled in yellow and mauve dots, Boudin's scene borders on drabness with its shades of ochre, gray, greenish blue and black. Its quiet charm is not quite enough to justify the price.

The intensive search for anything that is linked in some way to Impressionism is boosting works that carry Impressionist signatures without actually being Impressionist art. In the 1880s, Renoir painted a series of decorative panels for the banker Paul Bérard that ultimately go back to 18th-century models. One of these, painted at the Château de Wargemont near Dieppe, was sold at Sotheby's for £335,500 — an enormous price for a trompe l'oeil study of roses seen through a window against a misty sky.

Most astonishing in this respect was the record established Tuesday at Sotheby's for a bronze figure of a horse considered to be by Degas. Degas did not do the bronzes himself, nor, apparently, did he ever intend to have them cast. The artist merely modeled wax figures of horses — and dancers — as a way of studying motion, largely under the influence of photography, in which he was immensely interested.

One of the horse models, executed before 1882, is thought to be related to photographs taken by Eadweard Muybridge and published in 1878. Marc Blondeau, director of Sotheby's European offices and one of the best connoisseurs of Impressionism, says a bronze cast was made from the wax model between the world wars. It was sold several years ago to the American collector Norton Simon. The other bronze casts, in an edition of 22, are believed to have been cast after that single "original" cast.

The trimming of the bronzes and the patination, two important stages in the execution of any bronze figure, owe nothing to Degas. One of these horses, estimated by Sotheby's to fetch £110,000 to £132,000, went up to £253,000. Such a price for an object that never even passed through Degas's hands suggests that new buyers are entering the market, apparently concerned with great names as much as with the art to which they are pinned with more or less justification.

Such buyers' intensive search for labels might account for the sudden boom on widely divergent trends. On Monday, German Expressionism also went through the roof at Christie's. Like so many blanket denominations in art history, "German Expressionism" covers considerable aesthetic diversity. Max Pechstein was represented by a picture known as "Tänzerin" or "Tänzerpaar" and dated 1917. A man in a top hat is seen picking up a fat woman in an ample red skirt. Done in bold strokes of red, blue and orange, it betrays the influence of Fauvism. The colors could almost be those of Matisse. On the back of the canvas, a still life painted in a different manner, with heavy black outlines, reminiscent of Henri Derain, yields further evidence of the strong French strain in Pechstein's work. The double picture went for £162,000, setting a record for Pechstein.

This canvas could not be further removed from the interior scene in a Berlin brothel done in 1921 by Otto Dix. "Der Salon, I" as the picture is titled, shows four women seated at a table in a dramatic light. Dix has depicted the merest detail with painstaking realism, including the Art Nouveau wallpaper motif. The most obvious merit of the picture lies in its documentary value to costume historians: It provides what may be a unique sampling of German women's underwear in 1921.

"Der Salon, I" has been exhibited many times, from Paris, where it was seen at the Musée d'Art Moderne de la Ville de Paris in 1972 and at the Centre Georges Pompidou in 1978, to Minneapolis in 1980 at the Minnesota Institute of Arts, and Munich last year in the Otto Dix retrospective at the Museum Villa Stuck. This undoubtably helped it set a world record for the artist at £561,000, to a private buyer.

Leading modern masters were greeted with even greater enthusiasm than Impressionists and German Expressionists. On Monday, Christie's sold one of Modigliani's best-known portraits of Jeanne Hébuterne, his lifetime companion. Done one year before the artist's death, it is painted in a Neo-Primitive manner under the influence of Ira-

Fantin-Latour: delicate nasturiums.

nian miniature painting probably relayed by Matisse. Here again, the painting, from a private collection, has been exhibited many times. It is illustrated in 12 different books dealing with Modigliani's life and oeuvre. Although it is not one of Modigliani's great portraits, it soared to £1.94 million — consistent with the price level established for Modigliani at auction over the last two years.

Far more astonishing is the record £1.37 million paid by a French collector the next day at Sotheby's for a Cubist still life in oil, sand and collage done by Juan Gris in 1913. "Violin et Gravure Accrochée" is perhaps one of the most perfect compositions of the artist. It has a lightness and a freshness in color that neither Picasso nor Braque achieved in similar compositions. But this is a Braque or Picasso price bracket, which no one expected Gris to attain. A few months ago, the picture was offered to a leading dealer in modern art at $1.2 million, a price that could probably have been brought down to $1 million. The transaction did not go through, the dealer feeling that he would be taking an enormous gamble because the figure seemed so huge.

The fact that it should now have been sold for about $2 million is a telling achievement for Sotheby's in particular and auction houses in general. Such a price not only reflects the unrestrained optimism of private buyers but demonstrates their willingness to pay prices at auction that no dealer in his right mind would hope to get away with.

"MAVERICK"

Tom Cruise, right, and Anthony Edwards ready for take-off in "Top Gun."

The Right Stuff on Screen

■ "Top Gun," from the producers Don Simpson and Jerry Bruckheimer via the director Tony Scott, throbs with eye-filling visuals, kinetic rock 'n' roll, a remarkable cast and the polish of contemporary Hollywood filmmaking at its most accomplished, all of which is largely lost on a story that leaves the audience totally uninvolved and a script almost childlike in its attempts at manipulation.

Set at the Navy's dogfighting school in California, the movie centers on Pete (Maverick) Mitchell, who comes to the school with great reflexes and a bad attitude. Maverick (Tom Cruise) is arrogant, dangerous and mischievous — he likes to buzz the tower in his supersonic fighter and make snotty remarks in class.

A devil-may-care seducer, he learns about women through an affair with the older Charlie (Kelly McGillis), an instructor at the school. A reckless daredevil, he comes to terms with death (through an aerial accident that kills one of his classmates) and his own past. His father, who was also a flier, disappeared, and since the government won't tell Maverick what happened, he suspects disgrace. Finally, he learns the value of team play when he's thrust into combat.

The movie, in short, hits its emotional marks, but with such insistence that it feels like an object lesson in the architecture of the blockbuster. The things that happen in "Top Gun" don't grow out of the story — you can feel them being stuck in there to move the story along. And the movie's moralism is annoying — who wants Maverick to grow up, anyway? He's more fun when he's immature, full of spunk and razzle-dazzle.

On a dramatic level, the movie's best moments are between Cruise and Anthony Edwards, as his flying partner, Goose. A gangly, good-humored actor, he aerates the movie whenever he's on screen. He's perfectly matched with Meg Ryan, who, as his wife, makes her debut as a delightful wacko.

The photography of the aerial combat excites you — jets slash diagonally across the screen, engines booming on the sound track, with Harold Faltermeyer's score running beneath it all like a fever — but it doesn't draw you in. There isn't much genuine emotion in "Top Gun." For much of the movie, the only thing at stake is a trophy: It might as well be the Michigan-Ohio State game.

— Paul Attanasio, WP

■ "I never thought I'd say this to anybody," says young, clean-cut Paul Stephens (Christopher Collet), a high school science whiz, "but I've got to go get an atomic bomb out of the car."

It's one of many funny lines in Marshall Brickman's "The Manhattan Project," but Paul isn't kidding. He does have an atomic bomb in his car. It's "the first privately produced nuclear device in the history of the world," put together by Paul for a national student science fair.

This is a tricky subject for comedy, even one that aims at being both instructive and cautionary. Yet "The Manhattan Project" tends to neutralize its serious intentions by being too jokey much of the time and, at other times, too much the teen-age adventure-comedy whose conventions deny the immensity of the horror with which it's concerned.

"The Manhattan Project" is not as frivolous as John Badham's "WarGames," in which a brilliant teen-ager similarly plays with nuclear disaster. Like that film, however, it is less disturbing than soothing. Whatever happens, it seems to say, everything will come out all right, just as it does in the movies. Perhaps only a comedy as consistently, bleakly sardonic as Stanley Kubrick's "Dr. Strangelove" can handle this theme without making it seem trivial.

"The Manhattan Project" is nicely acted by a first-rate cast that includes John Lithgow as the scientist who unwittingly provides the liquid plutonium for the homemade bomb; Jill Eikenberry, as the teen-age genius's average American mom; and Cynthia Nixon, as Collet's loyal, admiring girlfriend.

As long as the film isn't playing with the bomb, "The Manhattan Project" displays the intelligence and wit that distinguished Brickman's two earlier films, "Simon" and "Lovesick."

— Vincent Canby, NYT

□

■ Debra Winger demonstrates in Ivan Reitman's "Legal Eagles" that she's one of her generation's few first-rate screen comediennes. The film, however, a lighthearted mystery-thriller, is otherwise a mixed bag. Though publicized as a breakthrough into adult comedy for Reitman ("National Lampoon's Animal House," "Meatballs," "Ghostbusters"), it is less a true adult comedy than a teen-age comedy populated by adults.

In "Legal Eagles," as in all of Reitman's earlier hits, there's a kind of calculated slovenliness. This has nothing to do with manners or performances, but with a willingness to settle for commonplace comic invention. Reitman depends on his audiences' correctly anticipating everything that happens next, which people apparently find reassuring.

"Legal Eagles," written by Jim Cash and Jack Epps Jr. of "Top Gun," has an exceptionally upscale cast that includes Robert Redford (somewhat less majestic than usual), Daryl Hannah, Brian Dennehy and Terence Stamp.

Tom Logan (Redford) and Laura Kelly (Winger) are high-powered Manhattan lawyers, initially in opposition — he as an assistant district attorney in line to succeed his boss, she as an imaginative and tireless criminal lawyer. (When first met, she is defending a man accused of having received stolen property, including 14 television sets, an equally large number of video-cassette recorders, stereos and radios, plus other, assorted household appliances; her explanation: Her client was setting up "a media room, not unlike that of the president of the United States.")

The two very different lawyers find themselves working as a team to defend a strange, mid-'80s flower child named Chelsea Deardon (Hannah), a performance artist accused first of stealing a hugely valuable painting done by her late father, and then of murder.

The screenplay is not especially strong on either character or plot, but it does have a number of funny lines, most of them spoken by Winger, whose timing is expert. As he has shown in "Butch Cassidy," "The Sting" and "The Electric Horseman," Redford is no amateur when it comes to comedy, but Reitman and his writers push him to uncomfortable lengths, and when he's supposed to be spontaneous he behaves very much like a cinema icon showing us that he is, after all, human.

"Legal Eagles," has been beautifully photographed by Laszlo Kovacs. The special effects — a gigantic warehouse explosion on the Brooklyn waterfront and two very impressive fires — upstage the comedy. Nothing, however, can upstage Winger.

— Vincent Canby

Kirov

Continued from page 7

...ntic artistry that radiate so naturally from ...r are all too rare. Looking like a young ...argot Fonteyn but with a more contempo...y stretched line, this 25-year-old's Nikiya ... "Bayadère" had all the requisite stage ...gic to make her an international star. Her ...tension was high, her arabesques were ...nged into with passion, and unlike so ...ny others, she hit the climaxes the music ...quires. Too often this vision scene is ...nced with a dreamy sleepiness: We forget ...at the hero should be excited by the vision ... his beloved.

Olga Chenchikova remains a dazzling, ...aightforward dancer with a refreshing ...-classic style. A tendency to hunch her ...oulders detracts from her line, but her no...nsense technique lets the dancing speak ... itself.

Galina Mezentseva, presented as the main ...llerina after the 54-year-old Irina Kolpa...va (present on the tour although she did ...t dance), has received a bad press in the ...st but appears to have softened the rigidi... in her dancing. Lyubov Kunakova offered ... powerhouse version of classical style in ...aquita," an acceptable alternative to the ...ical delicacy of the Kirov style in that it is ...roughly exciting. Yelena Yevteyeva and ...tyana Terekhova were glimpsed dancing ...th special graciousness. But a special im...ssion was made in soloist roles by Zhanna ...upova, dancing with liquid flow in the ...w variation in "Bayadère" and Olga Lik...vskaya in "Chopiniana."

The corps struck some as too perfect. Too ...ch of a good thing? Not in a "Chopin...a" and "Swan Lake" that come alive ...ough the very eloquence of a corps that ...athes a collective breath before our very ...s. Perhaps the academic correctness of ... corps in "Bayadère" could use more of ... "juice" still evident in 1982. The current ...ps looks younger — very possibly it is not ...experienced.

Like all ballet companies, in fact, the Ki...v is a company in transition. Demoralized ... defections and internal problems in the ...60s and '70s, the Kirov appears to have ...covered a sense of coherent purpose under ...nogradov, who became director in 1977. ...ere is no doubt that he is determined to

Mezentseva and Zaklinski: stars of a company in transition. A.I.A.P.

open up the Kirov to contemporary influences while preserving its classical heritage.

At a press conference in Ottawa, Vinogradov made the following points. He has asked to produce an evening of Balanchine ballets (Barbara Horgan, Balanchine's executor, has since confirmed that if the holders of the rights to the ballets agree, these will be "Scotch Symphony," "Serenade" and "Symphony in C"). John Taras staged one movement of "Symphony in C" at the Kirov in 1972 for a restricted showing that was not open to the public, and the Georgian Ballet took the initiative of staging "Serenade" in 1983-84 in Tbilisi. But the staging of Balanchine's ballets in the company that originally trained him is a genuine milestone.

Political restrictions have essentially banished plotless ballet from Soviet theaters since the 1930s. Formalism has been a code word for abstract art in the Soviet Union, unacceptable because a lack of narrative supposedly inhibits communication with the masses. Balanchine's art is totally formalist, without apology. What he proved of course, is that pure dance reached more audiences than art burdened with symbols and stories that required copious program notes.

Vinogradov emphasized that two-thirds of the Kirov repertory would always reflect the "glories" of past heritage. New works would make up the remaining third. Having introduced Maurice Béjart's and Roland Petit's ballets into the Kirov, he now hopes to stage ballets by American choreographers for the first time.

Apparently sensitive to the view that the Kirov is only a museum, Viktor Lopatnikov, Leningrad's cultural chief, told the press conference, "We were able to show that Soviet ballet is not standing in place." Yes, but this was seen not in the contemporary works whose Soviet choreographers appear dated as they still grope toward an extension of classical technique or a new mode of expressiveness. The "development" of the Kirov was actually seen best in the classical dancing, with its contemporary energy and line. True classicism evolves, and should freely be allowed to. ■

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NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Sandr	60633	51⅛	34⅞	50½	+15¾
PanhEC	40984	49½	47	48½	+4¼
ITT Cp	25108	54⅞	51¾	54	+1⅜
NL Ind	23095	15	14⅝	14¾	+ ½
PhilaEl	17371	20¼	19⅞	20⅛	+ ⅛
Safewy	15090	55⅛	51⅝	53⅛	+1⅞
Fruehf	14187	49⅞	49⅛	49½	+1
Schlmb	13431	34	32⅞	34	+1⅛
Salomn	11535	48⅞	47⅞	48¼	+ ¾
RckCtr n	10887	19¾	19½	19⅝	— ⅛
AldSgn n	10368	44⅝	43⅝	44⅜	+ ⅞
USHom	10251	7⅝	7	7½	+ ¾
AMR	9630	54¾	53⅝	54⅛	+ ⅝
SCalEd	9443	31⅝	31¼	31½	
AtSDG s	8993	66	65½	65¾	— ⅛

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	90.47	+ 0.17
Utilities	90.91	+ 0.41
Industrials	90.03	— 0.06

Market Sales

NYSE 4 p.m. volume	123,810,000
NYSE prev. cons. close	157,501,050
Amex 4 p.m. volume	11,640,000
Amex prev. cons. close	13,640,000
OTC 4 p.m. volume	N.A.
NYSE volume up	73,466,640
NYSE volume down	34,885,180
Amex volume up	4,668,370
Amex volume down	4,494,050

NYSE Diary

	Close	Prev.
Advanced	880	737
Declined	665	772
Unchanged	414	439
Total Issues	1959	1948
New Highs	135	111
New Lows	15	17

NYSE Index

	High	Low	Close	Ch'ge
Composite	143.18	142.92	143.18	+ 0.51
Industrials	165.44	165.12	165.39	+ 0.47
Transp.	119.45	119.09	119.16	+ 0.24
Utilities	73.16	72.96	73.16	+ 0.43
Finance	154.48	154.30	154.47	+ 0.75

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
June 26	224,761	541,562	107,750
June 25	244,221	517,313	54,205
June 24	282,418	506,884	68,993
June 23	238,671	495,518	34,381
June 20	372,441	652,436	37,255

*Included in the sales figures

Friday's NYSE Closing

Via The Associated Press

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1885.97	1898.90	1871.34	1885.26	+ 5.06
Trans	778.63	784.63	772.13	777.50	+ 1.37
Util	197.79	199.99	196.29	198.78	+ 2.79
Comp	723.15	728.75	717.33	723.28	+ 3.33

AMEX Diary

	Close	Prev.
Advanced	303	251
Declined	287	334
Unchanged	233	227
Total Issues	823	812
New Highs	40	38
New Lows	9	15

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	278.80	277.71	278.60	+ 0.89
Transp.	201.84	200.80	201.31	+ 0.51
Utilities	110.90	110.29	110.81	+ 0.52
Finance	29.55	29.38	29.51	+ 0.13
Composite	249.74	248.74	249.60	+ 0.86

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	403.55	+ 2.64	396.88	[illegible]
Industrials	421.58	+ 2.41	422.06	[illegible]
Finance	541.45	+ 3.11	[illegible]	[illegible]
Insurance	[illegible]	[illegible]	[illegible]	[illegible]
Utilities	350.79	[illegible]	[illegible]	[illegible]
Banks	443.15	+ 3.00	[illegible]	[illegible]
Transp.	343.54	— 2.13	345.91	281.79

NASDAQ Diary

	Close	Prev.
Advanced	N.A.	1,084
Declined	N.A.	1,307
Unchanged	N.A.	2,212
Total Issues	N.A.	4,303

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
BergBr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WickesC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WangB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hovnian	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EAGlePn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HitSMan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AM Intl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NthRs wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IntBkrst	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HmeShn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICH n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B&T	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hasbro	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MacGrg	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LoriTel n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMEX Stock Index

High	Low	Close	Ch'ge
284.36	280.72	283.13	— 0.72

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Rises on Merger Rumors

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed mostly higher Friday in moderate trading.

The Dow Jones industrial average, which lost 4.85 to 1,880.20 Thursday, closed up 5.06 at 1,885.26 Friday. Advances led declines by a 4-3 ratio.

Volume was about 124.16 million shares, compared with 134.07 million Thursday.

A stronger bond market, end-of-quarter fund buying and merger speculation accounted for the strength, analysts said.

Investors were reluctant to bid up the shares of interest-sensitive stocks, with the strong gains of the past year already discounting low rates, analysts said.

"People want stocks with high earnings visibility, because they are nervous about the economy," said Jack Conlon of E.F. Hutton.

They were focusing on such issued as retailers and food and drug companies, traders said.

Alan Ackerman of Herzfeld & Stern said a rise in consumer confidence in the third quarter could bolster the economy and corporate earnings prospects.

"We've been looking at a consumer who has been very cautious," he said.

Stocks reached highs early Friday, as credit markets started strong on a report of a widening of the U.S. trade deficit to $14.21 billion in May, pointing to lower growth in the gross national product. But gains dwindled later.

"We probably have enough momentum to carry us through the next week or so," Mr. Conlon said. He predicted highs followed by a four- or five-week correction.

Leading the actives was Sanders Associates, which soared 15¾ to 50½. Loral offered $44 a share for the military electronics firm. Sanders's management rejected the offer as inadequate, and arbitragers were betting that offers would go higher.

Also in the takeover arena, NL Industries, which rejected Harold Simmons's $15 bid, gained ½ to 14¾.

A management-sponsored tender began for Fruehauf at $48.50 a share, despite a $49.50 offer from Ashed Edelman, an investor. It closed 1 higher at 49½. Safeway rose 1⅞ to 53⅛.

Utilities were buoyed by Panhandle Eastern, up 4¼ to 48½. It said it had received and rejected a third-party offer.

The Sanders bid sent buying through smaller military contractors. E Systems surged 2¼ to 35⅛, Watkins-Johnson 2¾ to 35, and Tracor 1½ to 22½.

U.S. Home gained ¾ to 7½. It announced a financial restructuring.

Airlines were up again, continuing the rise since People Express said it was seeking a buyer. NWA rose ⅜ to 49⅞, UAL ¼ to 54⅞ and AMR ⅝ to 54⅛.

ITT added to the week's gains, rising 1⅜ to 53¾. It is in talks on the possible sale of telecommunications assets to CGE of France.

(Reuters, UPI)

(Continued on Page 18)

West Africa: New Horizons

N THE NEWS

ug. 27: Buhari Regime Overthrown in Nigeria

ajor General Ibrahim Babangida es power in a bloodless military coup, erthrowing the 20-month-old gov- ment of Major General Mohammed hari. General Babangida cited rsening economic conditions as the ief reason for the coup, the sixth ce independence in 1960.

ct. 28: Ivory Coast Gives esident a Sixth Mandate

sident Félix Houphouët-Boigny is lected president of Ivory Coast, win- g 99-percent approval in a referen- n for his sixth five-year term.

ov. 12: Liberian Leader efeats Coup Attempt

el Liberian soldiers led by Gener- homas Quiwonkpa try to overthrow eral Samuel K. Doe. The foiled p involved a full-scale battle around eral Doe's residence in Monrovia. Dec. 6, General Doe is sworn in as Li- an president after being declared winner of nationwide elections widely arded as being rigged.

ec. 25: Mali, Burkina Faso ght Brief Border War

hting breaks out between Mali and kina Faso in the disputed Agacher der strip. The region, believed to ich in minerals and natural gas, had ady been disputed during serious ting in 1974 when Mali sent in troops ccupy the area. A cease-fire on . 30 ended the five-day war.

ne 1: UN Backs OAU Plan r Economic Recovery

United Nations endorses a $128- ion five-year recovery plan drawn up the Organization of African Unity issues a resolution calling on the U governments to take effective on for the program's implementation.

Host to ECOWAS Summit

Nigeria Renews Its Diplomatic Role in Region

Observers say the country intends to make its voice heard on African issues, ranging from the Chadian civil war to South African policy in Angola and the struggle to end apartheid.

By Howard French

THE UPCOMING summit of ECOWAS in Nigeria signals that country's return to prominence in African diplomacy after several years of introspection.

The motion to have Nigeria host this year's summit was made during the 1985 summit in Lomé, Togo. At that time, Nigeria's land borders had been closed for over a year and frustrated francophone neighbors figured that by persuading Nigeria to host the next summit, the region's giant would be forced to reaffirm its commitment to the basic aims of the Economic Community of West African States.

Of primary importance to the francophone countries was the principle of the free circulation of peoples throughout the region. By signing a decree in 1984 calling for the immediate closure of the country's borders and the expulsion of thousands of unilaterally defined illegal aliens, Nigeria's last president, Major General Mohammed Buhari, had "made a mockery of the principles of ECOWAS," a Togolese diplomat said.

General Buhari's decision, made without consultation with Nigeria's neighbors, virtually undid the painstaking Nigerian diplomatic effort that led to the creation of the 16-member Economic Community of West African States in 1975.

At the same time, the Buhari regime's border closure and expulsion gave impetus to the ailing rival West African Economic Community, known by its French initials as the CEAO, whose exclusively francophone membership argued that Nigeria had created ECOWAS to serve its own needs and would allow it to die when it no longer served its purposes.

Less than six months after having agreed to host the 1986 ECOWAS summit, General Buhari's government was deposed. With the arrival of Major General Ibrahim Babangida to power, Nigerian politics have undergone an abrupt change of style. General Babangida has sought to ease tension within Nigeria by increasing governmental consultation with the country's numerous interest groups — a radical change from General Buhari's tendency to rule by decree.

In foreign policy, more emphasis has been placed on consultation. Since arranging a reopening of the country's borders this year, Foreign Minister Bolaji Akinyemi has undertaken a highly visible campaign of visits to capitals in the region to sound out leaders on both bilateral ties and ECOWAS's future.

The hosting of the ECOWAS summit comes at an ideal time for the Nigerian leadership. Nigeria will likely try to apply the community's economic protocols in an attempt to seize the initiative from the rival CEAO and other smaller economic groups. These groups are either financially moribund, or, as in the case of the CEAO, beset with deep political differences stemming from the conflict between Mali and Burkina Faso.

Nigerian and some other anglophone diplomats argue that exclusively francophone bodies, such as the CEAO, impede the implementation of ECOWAS protocols.

The two organizations have very similar aims: the economic integration of their member states, although the CEAO countries have the considerable advantage of a common currency and administrative practices inherited from their colonial past.

Anne Tully

President Ibrahim Babangida of Nigeria, left, with his defense minister, Domkat Bali.

In early June, President Babangida took his first trip abroad since assuming power. He visited Nigeria's northern neighbor, Niger, which along with Benin was the hardest hit by Nigeria's two-year border closure. The symbolism of the visit was not lost on observers. They saw it as a sign of the renewed importance that Africa has assumed in Nigerian foreign policy and as a reflection of Nigeria's desire to smooth the way toward greater regional integration by increasing cooperation with francophone states.

While Nigeria's mediation in the brief Mali-Burkina Faso border war proved inconclusive, diplomatic observers say that the country intends to make its voice heard on African issues, ranging from the Chadian civil war to South African policy in Angola and the struggle to end apartheid.

Most recently, Lagos announced that despite economic hardship at home, it was increasing its aid to the African National Congress. Other initiatives have included a military cooperation agreement with Zimbabwe.

Having ended the ECOWAS crisis caused by Nigeria's border closure, the coming summit will seek to strengthen language guaranteeing the free movement of peoples throughout the region, while seeking to realize the declared goal of freer circulation of goods produced in the region.

HOWARD FRENCH, a journalist based in Abidjan, contributes regularly The Washington Post and The Economist.

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1986: The Time Is Ripe To Break With Past

A window of opportunity has been created by the slight easing of the combined adverse domestic conditions and global economic conditions.

By Stanley Please

WASHINGTON — African heads of state and senior ministers meeting at a special session of the United Nations a few weeks ago and at the Organization of African Unity summit in 1985 have reiterated their commitment to programs for the social and economic development of their peoples.

These leaders have also been the first to recognize the contrast between their calls for a rededication to these programs and the continuing decline in the well-being of their peoples. Many Africans are worse off now than at independence a generation ago; the calls of their governments for greater economic self-reliance are made in the same breath as calls for increased external assistance.

This year seemed to herald a major beginning to reverse these trends — a year of opportunity. Rainfall has been better for most countries than in recent years, with record harvests experienced in some of them. For oil importers, the heavy burden of high oil prices since 1979 and before has been eased, although this has created problems for the richer oil exporting countries and most obviously for Nigeria. The price of some major export commodities, such as coffee, has improved and special donor programs have been established to provide more immediate and effective external financial support to Africa.

But, halfway through 1986, signs are limited that African governments are introducing the necessary policy reforms. This is not to say that nothing is happening. On the contrary, the World Bank reports that many more governments are introducing programs to improve incentives to agriculture, to increase the efficiency of marketing and other institutions supporting agriculture, to eliminate wasteful public investment expenditure and to improve the funding of rehabilitation and maintenance of existing capacity in transportation, water supply and energy.

A total of 18 countries have proved eligible for the World Bank's special assistance facility for Africa, twice as many as were thought likely a year ago when it was introduced.

This is encouraging, but given the problems facing sub-Saharan Africa, it is only scratching the surface. Africa must cope with a generation of declining food production per head; frequent loss of export market shares to other developing and developed countries; industrial development that does not meet the needs for off-farm employment both in rural areas and the burgeoning cities; widespread environmental degradation as a rapidly expanding population increases food, grazing and household energy needs; grossly underfunded and inadequately designed and managed education and health systems.

Moreover, these problems are aggravated by major disparities in earnings, particularly between the earnings of small-scale peasant farmers, where Africa's production potential and its poverty is primarily found, and those of public servants — civil servants, teachers and the military.

These disparities distort incentive systems and, together with the overvaluation of African currencies, undermine the possibilities for agricultural and industrial development. The following relationships between currency values and the supply of food for Africa as contrasted with other parts of the developing world are not fortuitous.

The economic reforms seen so far — reforms often reluctantly agreed to by governments desperate for external support — pale against the needs. But is it expecting too much of African governments to introduce the reforms required to address the major issues that these needs imply?

Can governments persuade politically powerful urban elites, including the military, that although paying farmers more for food and for their export crops might increase the cost of living in the cities for a few years, it is in the country's and their own interest beyond that? Can they be persuaded that the expansion of low-cost education, health and nutrition services throughout the countryside is more important than a few highly designed city facilities, not only for helping the rural poor but also for increasing agricultural production and off-farm employment in rural areas and for reducing population growth?

There is still time in 1986 to see that the year of opportunity for major steps forward for Africa is not lost. There is one area of policy that could rapidly address many of the distortions that have arisen in sub-Saharan Africa and could put countries on a path to achieve their political objectives. A collective, but varied, devaluation of all African currencies would send signals that political leaders mean what they say.

It would favor peasant agriculture. It would favor the labor-extensive, small-scale firms and craftsmen in meeting the consumption needs of the rural population rather than the capital and import-intensive firms meeting Westernized urban needs.

It would favor the development of trade within Africa in food and manufactured goods and discriminate against imports from the industrialized countries. It would also provide the competitive edge that Africa needs in its exports if it is to reclaim the declining share in world markets for many of its primary products and if it is to begin to be internationally competitive in agricultural processing and food exports.

There are no panaceas for restoring growth momentum in Africa. A whole range of policy and institutional issues have to be addressed, some of them taking decades to handle — institutional development, population growth, degradation of the national habitat, education and health.

But exchange-rate policy is at the heart of the distortions of incentives that impede agricultural and industrial growth in the medium term and, therefore, handicap the generation of resources to finance programs addressing the more basic issues.

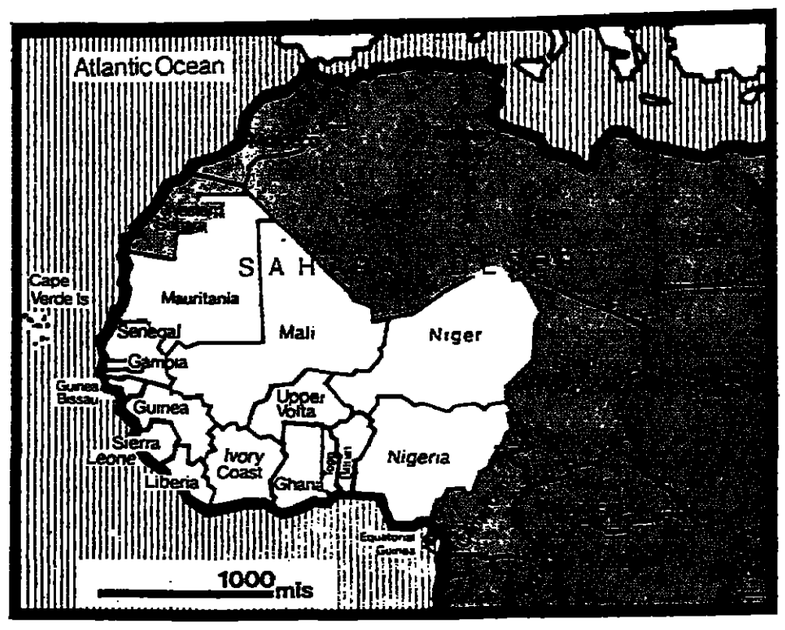
African leaders can no longer be passive as they see the value of their own currencies change simply because the value of the French franc, the U.S. dollar or the pound sterling has changed. These yo-yo-like changes have nothing to do, except fortuitously, with the needs of African economies. Moreover, African leaders can no longer simply react to any IMF recommendation regarding exchange rates. They must assert their independence in policy-making on this issue and act in a unified manner.

It is this unity that is important, politically and economically. High-sounding resolutions become politically humiliating as they continue to extol the virtues and determination of governments to achieve self-reliant growth amid the evidence that their policies are achieving neither growth nor self-reliance.

Economically, a collective and major devaluation of African currencies would avoid the beggar-my-neighbor impact of country-by-country action and at the same time reduce the secondary effects of devaluations on inflation. Such collective action is particularly necessary where a monetary union exists,as in the case of the CFA-franc countries.

There is no better time than 1986 for African leaders to be asking what they should be doing to reverse the downward trends in so many of their economies. A window of opportunity has been created by the slight easing of the combined adverse domestic conditions and global economic conditions they have faced during the first half of the decade.

STANLEY PLEASE is a senior associate member of St. Antony's College at Oxford and author of a World Bank Study, "Towards Sustained Development in sub-Saharan Africa." (1984)



Magnum

Increased water resources sought.

Offshore Bank To Start Up in Fall

By Richard Synge

LONDON — The first private company openly committed to the ideals of ECOWAS, the Economic Community of West African States, and to the promotion of regional trade will begin operating in Lomé, Togo, in September or October.

Ecobank Transnational, which was the brainchild of businessmen from Ivory Coast, Nigeria, Senegal and Sierra Leone, will be West Africa's first offshore bank. It is being launched with $50 million, furnished mainly by private investors in the region, and it has hired advisers from Citibank of the United States to help train staff and prepare for banking operations in the region's 16 countries.

Offices are planned in Lomé, Lagos, Abidjan, London and Paris. Business will be sought both within and outside West Africa.

"It's a very imaginative and necessary gesture," said an international banker in Lomé, "but it still has very few staff and it needs to develop a banking culture appropriate to the region, and this will take years."

Ecobank officials acknowledge the difficulties ahead but regard the project as a challenge to West African ingenuity and cohesion. They also feel that the bank stands a better chance of success than other ECOWAS initiatives of recent years.

The promoters have already survived determined opposition from French banks, which were fearful of damage to their own interests. This opposition only convinced them of the need to press ahead.

Vital political support has come from the 16 ECOWAS leaders. Financing has been left in the hands of Adeyemi Lawson of Nigeria, Konan Lambert of Ivory Coast, Tommy Hope of Sierra Leone and other members of the Federation of West African Chambers of Commerce.

"The bank's best potential lies in the promotion of barter and countertrade," said an Ecobank promoter. Observers agree that if it can improve trade-financing services among West African states, the project has a chance of developing to serve a large market currently regarded as the "informal sector." It would be difficult, however, for it to rival the activities of the smugglers and currency traffickers who continue to flourish in some countries.

Dealing mainly in U.S. dollars, Ecobank hopes to become a vital link in the region's foreign exchange earnings. Nigeria's oil dollars, although depleted at present, should be sufficient basis to increase the pace of trade with neighboring countries, perhaps slowly at first but gathering pace in the 1990s.

The appointment of Citibank to guide Ecobank in its early stage is seen as important to its credibility.

"We need a strong international financial institution to help us in the beginning, a bank which could provide the necessary technical assistance and support," said Ecobank's director, Fogie Sosah. "We have to find people to help us run the organization efficiently and at the right profession level. We have lots of people who can run local banks. Now they have to manage an international bank."

Citibank will provide the deputy managing director. Citibank's involvement confirms its newfound commitment to black Africa following its partial withdrawal from South Africa and its recent major investment in the new Nigeria

'It's a very imaginative and necessary gesture.'

International Bank. It is a sign of the times that Citibank is now associated with a 100-percent African-owned project designed to promote wholly African interests.

Within Nigeria, there are already moves to launch the affiliated Ecobank Nigeria, which will have more than 60 percent Nigerian participation and a board of directors that will include some of the country's best-connected business leaders, such as Philip Asiedu and Alhaji Dogon Yaro.

The new bank hopes to focus on six activities: investment, trade, project rehabilitation, project preparation, banking promotion and attracting foreign currency reserves to the region through its offshore operations.

Its promoters say that Ecobank will provide advisory services to investors with risk capital, fitting the new mood of privatization throughout West Africa. If Ecobank starts to show results in the next two years, it could well be followed by imitators wanting to cash in on the expected flow of investment into the region. Ecobank hopes to be on the ground floor.

RICHARD SYNGE is the West Africa editor of the Africa Economic Digest.

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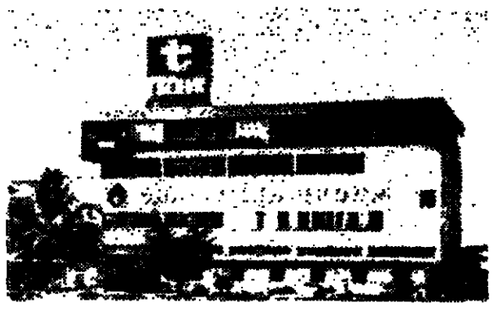

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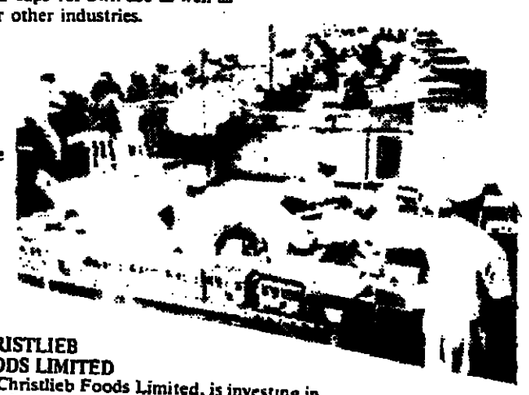

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Oil Production

Nigeria Shifts Strategy on Sales

By Howard Schissel

PARIS — Nigeria, Africa's largest oil producer, has radically shifted its sales strategy since the beginning of the year to adapt to the changes on the world oil market by oversupply and its corollary, weak prices.

The country's pragmatism has been dictated by necessity. With oil representing about 96 percent of total exports, Major General Ibrahim Babangida's government had little choice but to follow the Saudi Arabian lead within the Organization of Petroleum Exporting Countries (OPEC). As Nigerian officials now readily admit, their guiding principle on oil matters is to "ensure that the country's market share is maintained."

With a population estimated at more than 100 million and a foreign debt of about $25 billion, Nigeria has been obliged, in a highly unfavorable market, to assure an acceptable level of oil income while waiting for demand to increase.

According to Rilwanu Lukman, the minister of petroleum, the totality of Nigeria's oil exports are now made on netback terms. In this way, foreign oil companies take no risk on the fluctuating price of oil because it is calculated from the market value of the refined products. Here again, Nigeria is simply adapting to market realities.

Another fillip for producing companies in Nigeria — among them, Royal/Dutch Shell, Gulf, Mobil, Agip of Italy, Phillips Petroleum, Elf Aquitaine of France, Texaco and Chevron — is the guarantee from the state oil company, Nigeria National Petroleum Corp. (NNPC), of a $2-a-barrel profit margin. Thus, even with prices below $15 a barrel, NNPC's partners have the stimulus to pump and lift oil.

This market-oriented approach has begun to pay off. During the first quarter of 1986, Nigeria's production averaged 1.4 million barrels a day. Industry sources indicate that in April and May, Nigerian output neared the 1.6-million mark.

Rilwanu Lukman

Anno Tully

This is far below the level of 2.3 million barrels a day in 1979, but it is also a vast improvement from last summer's trough of only one million barrels a day. By assuring its share of the market, Nigeria should be in a good position to benefit from any upturn in demand.

Banking sources estimate that if there is no radical change in the price of oil from present levels, Nigeria's oil revenue this year should be between $6 billion and $7 billion — a far cry from the $12 billion produced last year and the $22 billion produced during the second oil boom in 1980.

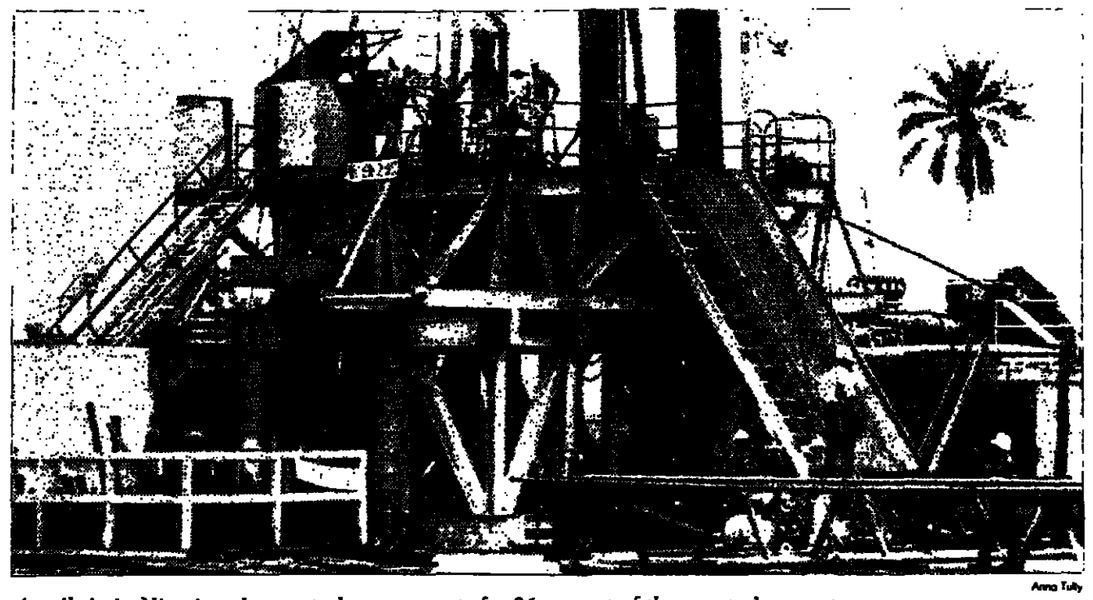
Another ploy being used by the government to sell a maximum amount of oil is countertrade agreements. The new Nigerian government is not giving barter deals the same importance as the previous regime, but it is willing to utilize such trade techniques to help finance development projects.

For example, an agreement was signed during the spring with MBK Nigeria, an affiliate of Japan's Fujikura, to lift more than $100 million of Nigerian crude as payment for a rural telecommunications project. Other such barter deals are expected.

Nigeria is currently reaching its technical capacity to produce oil. A number of wells were reactivated by companies once the new incentive arrangements were unveiled.

Mr. Lukman believes that Nigeria could produce about two billion barrels a day with the current installations. However, industry sources feel that this would be pushing the facilities to a dangerous point. Under present conditions, there is little incentive to increase capacity.

Nigeria has emerged as a relatively high-cost producer. Most fields in the Niger delta area are small and the swampy environment entails a high investment outlay.



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An oil rig in Nigeria, where petroleum accounts for 96 percent of the country's exports.

Nonetheless, future exploration prospects in Nigeria are considered excellent by industry experts. Nigeria's official recoverable reserves are now pegged, albeit conservatively, at about 16 billion barrels. At this level, it is sufficient to assure Nigeria's production at the current level until the next century.

Nigeria's policy is to at least restore each year's production with new reserves. It has usually been able to realize this goal.

It is generally believed in industry circles that sustained exploration in the Niger delta would turn up, between now and the end of the century, a number of finds. But even with improved seismic and drilling techniques, the price of oil will largely determine the extent of future exploration programs.

The country's oil potential is not limited to the Niger delta region. The NNPC has been drilling in the extreme northern part of the country, near Lake Chad, where first indications reportedly have been promising. Certain zones in central Nigeria are also believed to be potential wildcatting areas.

Nigeria also boasts considerable natural gas reserves. Plans are under way to diminish the use of refined products in generating electricity by substituting gas in the power plants. While reducing the amount of gas being wasted, as it is burned off as an unwelcome by-product of oil production, this plan would make additional oil available for export.

To tap this potential, Nigeria would have to invest hundreds of millions of dollars in gas-gathering networks and other related installations. The main project on the drawing board is a gas pipeline from Escravos to Lagos to feed the Egbin power station. The cost is estimated at about $600 million, and the World Bank is expected to aid in financing the project.

Nigeria changed its legislation concerning natural gas, forcing companies to reinject it back into the ground or pay a penalty for excessive flaring.

It is estimated that proven and probable gas reserves, when measured in terms of oil equivalent, could be as much as one-third higher than those of oil.

That is why, in the long term, Nigerian oil officials want to limit dependence on oil exports by bringing on line a liquefied natural gas unit.

This project, to be located at Bonny, has been kicked around for years, but the initial $10-billion-plus plans have been scaled down.

Since most of the potential European clients for Nigerian gas just signed a major supply contract with Norway, it is improbable that Nigeria could find buyers for liquefied natural gas in Europe until, at the earliest, the beginning of the next century.

HOWARD SCHISSEL, a Paris-based journalist, specializes in French-speaking Africa and the Maghreb.

Anno Tully

'ipeline in Ghana, which is turning its attention to gas.

Price Drop Aids Nonproducers

PARIS — For most West African countries, the drop in the price of oil will result in substantial savings. Besides Nigeria, only Benin and Ivory Coast are oil producers. The others must import all their needs, and the soaring bill for imported energy in recent years has been a factor contributing to their economic troubles.

Indeed, the poorer West African states, particularly in the Sahel, were obliged to earmark up to half their export earnings to cover their oil bills. Now this will be reduced to a more manageable 5-percent to 25-percent rate.

However, at a time of uncertainty over the oil industry's future, oil exploration ventures in West Africa are likely to fall victim to cutbacks in overseas investment by oil companies. West Africa is generally considered a potentially attractive, but somewhat speculative area.

Outside Nigeria, exploration has only been sketchy. Since the second oil boom at the end of the 1970s, more companies participated in exploration ventures. Results of drilling in recent years have generally not met expectations.

Benin got into a mess during the last year when it replaced the Norwegian firm, Saga Petroleum, with the Swiss-based Pan Ocean, in its small offshore Sémé oilfield. Numerous problems cropped up and the World Bank and other institutions froze a $32-million loan for the development of Sémé.

Instead of rising from 8,000 barrels a day, production has reportedly declined by half. Now, the Benin government is seeking a more reliable partner to develop its offshore hydrocarbon potential. Its credibility may have been shaken by the recent events, thereby deterring companies that might have been tempted by good prospects on its continental shelf.

Offshore production in Ghana was halted for economic reasons earlier in the year. Primary Fuels of Houston ceased operations on the Bonsu field when output slipped below 1,000 barrels a day.

It decided that investments to boost output were uneconomical due to the collapse in world oil prices. Attention in Ghana is being turned toward the gas prospects in the Tano basin. Petro-Canada International is conducting a survey to assess resources.

Weak oil prices have further complicated the two-year negotiations between Phillips Petroleum and the Ivory Coast government over the tapping of offshore gas reserves. Some industry sources doubt if the gas can be profitably exploited under current conditions. Otherwise, Ivory Coast is almost self-sufficient in oil, but there appears to be little incentive to continue drilling exploration wells.

Liberia and Sierra Leone were latecomers to the oil exploration league. The Chicago-based Amoco Corp. is a prime mover in both countries. In Liberia, Amoco holds six of the existing nine offshore permits. Three dry wildcat wells were spudded last year; plans for further drilling have been deferred until 1987.

Guinea-Bissau is trying to attract international oil firms by offering more interesting conditions than in the past. However, few positive reactions were registered at a meeting held late last year. At present, only France's Elf Aquitaine holds acreage offshore. A continental plateau dispute with Guinea-Conakry was settled in 1985 by the International Court of Justice in The Hague.

It is expected that a settlement of a similar imbroglio between Guinea-Bissau and Senegal will soon be announced by a special three-judge panel in Geneva. This could stimulate exploration activities in Senegal. The government, in collaboration with Gambia, held a meeting earlier in the spring with oil groups to present the results of new seismic studies and explain its new petroleum code.

Howard Schissel

VOLTA
25 Productive Years

by James Moxon

On the last day of 1986 Ghana's Volta River Authority celebrates its 25th Birthday, with 1987 as Silver Jubilee Year, an occasion to look back over a quarter of a century's remarkable growth which has co-incided with the most critical years of the young nation's history. And at the same time an opportunity to look confidently into the future in order to plan and to be ready to build, over the next 25 years in the first instance, on the foundations very firmly laid.

The Volta River Authority was created in 1961 with the primary role of providing electrical power to meet the nation's industrial and domestic needs. Within four years Lake Volta had been created from the waters of the River Volta by the construction of Akosombo Dam and the first four of six generating units were producing 588 MW of power. By 1972 Akosombo had its full six units and in 1981 the completion of Kpong Dam brought the total installed generating capacity of the VRA power system to 1,072 MW. This in itself represented twenty years of keeping abreast successfully with the nation's growing need for industrial and domestic power, combined with satisfying the power requirements of neighbouring countries, Togo and Benin.

The Head of state inaugurating the Kpong Project.

In addition to the grid which has operated between Ghana and Togo/Benin since 1972 supplying most of the power demand of those countries, the VRA power system was successfully synchronised to the Côte d'Ivoire power system in 1984 enabling the two countries to exchange electrical energy.

The logical follow-up hydro power project to Kpong has always been Bui which is located on the Black Volta, 190km from Kumasi and about 30km from the Ghana – Côte d'Ivoire border where the Volta flows south from Burkina Faso but, though it has been five times studied during the 50 years between 1925 and 1976 to the very point of contract letting, the current thinking on the part of VRA is that such a long-term project which concerns more than one West-African nation should bide its time, together with several less ambitious projects in other southern catchment areas. Meanwhile, in order to pursue its generation expansion obligations and to meet the steadily growing demand for power the VRA is considering implementing a policy of mixed hydrothermal generation. The introduction of combustion turbine units in the first instance, with the later addition of steam generation — using imported coal or indigenous natural gas if available — will enable VRA to plan into the next millenium the future development of all the nation's economic hydro-electric potential and to maximise power output.

Plans to extend the grid northwards into Burkina Faso are being discussed and there is also an interconnection study being considered which envisages a grid from Nigeria through Benin and Togo to Ghana with possible extensions into neighbouring countries. Realisation of this development is not thought to be imminent.

Of more urgency to VRA is the extension of its service internally to the rural areas of Ghana. In 1984 Phase I of the Volta Region Electrification Project was completed with a 95 Km extension into the central part of the Region and considerable progress has been made in planning the extension into the southern part of the Region. The present electricity grid only caters for Southern parts of Ghana. Recent technical analysis carried out by Consultants proved that the main grid requires reinforcement before any major extension. The reinforcement would enable it sustain the present and future domestic and export loads and also reduce energy losses in the system. The proposed grid extension is divided into two phases. The first phase involves extension of the national grid from Kumasi to Techiman/Sunyani in the Brong Ahafo Region and the second phase covers the extension of the grid from Techiman to Tamale and then Bolgatanga in the Northern and Upper Regions. The line is designed with enough capacity to satisfy all internal electricity requirements as well as cater for the needs of Ouagadougou in Burkina Faso. This will be a great breakthrough for many rural folk anxious to enjoy some of the benefits of the Volta River Project.

VRA's principal customer for electric power has from 1967 onwards been the Valco aluminium smelter at Tema, owned primarily by Kaiser Aluminum, which steadily consumes upwards of 60% of the overall output. In the latter part of 1983 it became necessary for VRA to suspend power supplies to Valco and to introduce nationwide electricity cuts for industrial and domestic consumers when the level of Lake Volta had dropped well below its minimum generating point. This was the culmination of a critical drought period throughout the lake catchment area during which years the lake level had steadily dropped. It was not until 1985 and 1986 that the Valco aluminium smelter was able by stages to resume production in four of its five pot-lines.

Meanwhile several years of negotiation between the government of Ghana and Valco in respect of the terms of the 1961 Master Agreement and the 1962 Power Contract had been successfully concluded in July 1984 with the signing of a "Heads of Agreement" document which took effect early in 1985.

The losses, both to VRA revenues and to Valco, arising from the smelter close-down of 1983-85 could have been crippling but for careful and effective management during the critical period during which time nevertheless system rehabilitation and planned development forged ahead.

The significant increase of electricity tariffs in 1984 and 1985 had the dual effect of increasing VRA's power generation income substantially and of inducing greater economy in the use of electricity.

The combined effect of this long period of drought on the lake level and thereby on power generation, coupled with the very low tariff rate both of export and local consumption of power, had for some years put a great strain on VRA which the 1984 Valco agreement together with realistic tariff rates has now reduced. At a time when VRA is about to enter a new phase of combined hydro-thermal power generation as a stepping-stone to the ultimate development of all potential hydro-electric power in Ghana the economic forecast is now favourable for such investment. The Chairman of the VRA Board of Directors during this period (since 1982) has been J. S. Addo, Governor of the Bank of Ghana. The Board was however recently reconstituted.

VRA's secondary but no less vital role within Ghana is in relation to its Non-Power responsibilities which concern principally the development of Lake Volta and the uses which derive from it such as fishing, commercial transportation and shore-line agriculture. Coupled with these is responsibility for controlling and safe-guarding the health of the inhabitants of the Volta Basin within Ghana and for appropriate scientific research.

In 1983 VRA, following through its joint lake research programmes with the University of Ghana and using the rich experience gained over the years, set as its immediate objectives the development of limited agricultural and fishery programmes on a commercial basis, whilst at the same time continuing to concentrate on research into such environmental problems as control of aquatic weeds and of bilharzia in the lake.

Fishing in Lake Volta which had been substantial had suffered set-backs during the critical drought period but quickly recovered as the lake level rose from 1984 onwards. Meanwhile, arising directly from the Lake Research findings a Fisheries Training School had been established, improved boat-building developed and advances made in the techniques of landing, processing and marketing of fish. After this came a Japanese Government grant of 420 million Yen ($2.5 million) largely devoted to the supply of fishing nets, outboard motors and mending twine which was quickly absorbed by the Lakeside fishermen. And as a follow-up to the aid the Japan Overseas Co-operation Volunteers had taken an interest in the Fisheries Training School and provided two instructors in fishing techniques and outboard motor maintenance. Few of the 114 species of fish identified by the Lake researchers are likely to escape the attention of the new breed of Lake Volta fishermen.

Similarly much knowledge has been gained from the years of research since Lake Volta was formed of the physical nature and extent of the lakeside draw-down fringe as fertile land for agriculture. This experience, combined with crop trials in upland pilot schemes adjacent to the lake, is the basis of the Farm Projects which are now being run commercially by the resettled persons on a co-operative basis. These relatively modest but soundly planned pilot projects, springing directly from the fruits of scientific research, represent an important part of the foundation on which VRA plans to build up over the years a contented lakeside community.

The full use of Lake Volta as a cheap and direct route to the North both for commercial freight and for passengers has long been frustrated by a shortfall of capital investment until the Federal Republic of Germany made available a loan of DM 92.6 million — matched by some ¢300 million from Ghana — with which to build a fleet of freight vessels and the necessary port and harbour facilities and navigational aids to maintain the system. Six years later it will now be possible to multiply tenfold the lake freight carried ten years ago and considerably reduce the burden hitherto borne by costly and foreign-currency intensive road transport. The loan also made possible rehabilitation of passenger vessels and road ferries.

VRA's first 25 years have not been a perpetual bed of roses at a time when Ghana has experienced the rule of eight successive governments with the added trauma of severe drought, climaxing in 1983 with the lowest inflow into Lake Volta of the 48 years since records have been kept.

'Evergreens of the Future' Training School at Akuse.

However the three successive Chief Executives of VRA since 1961 — one Canadian and two Ghanaians — have combined during these difficult years to establish a tradition of remarkable stability and straight-dealing which has earned them the highest international respect.

During those 25 years the face of Ghana has changed permanently with the creation of the world's largest man-made lake and, though inevitably more and perhaps even greater problems may arise in the future, Ghana has in the Volta River Authority an experienced and level-headed team of professional men and women who have already shown that with patience and skill they are capable of carrying forward their multiple responsibilities with the greatest credit to the nation they serve.

James Moxon is the author of "Volta — Man's Greatest Lake — The Story of Ghana's Akosombo Dam" — André Deutsch Ltd., London, £6.95 (1969 and 1984).

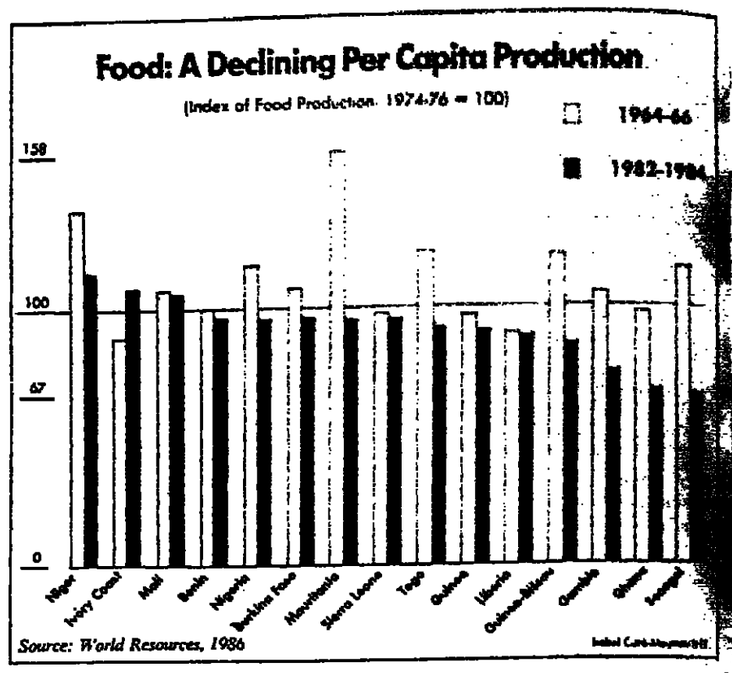
Agricultural Commodities

Market Stays Fragile for Key Export Crops

By Randell E. Moore

Alison Keller/Sygma

An Ivory Coast woman working during the coffee-bean harvest while her child looks on.



WASHINGTON — The past year has been one of mixed blessings for producers of West Africa's primary agricultural export crops — cocoa, coffee and cotton.

An easing of drought conditions in parts of the region and substantial increases in coffee prices brought some relief. Improved growing conditions were not universal, however, and cocoa and cotton prices remained severely depressed.

The importance of these three commodities for the economies of the region is difficult to understate.

Gross domestic product for all members of the Economic Community of West African States (ECOWAS) is largely dependent on the commodity sector. Even among those members that have substantial export earnings from mineral extraction or petroleum production, a majority of the work force is devoted to agriculture.

For example, seven of the 16 ECOWAS members depend on exports of one or more the three commodities for at least 20 percent of their total exports.

According to the latest statistics published by the World Bank, cocoa, coffee and cotton account for approximately 14 percent, 12 percent and 21 percent, respectively, of the commodity exports of Benin; 24 percent, 19 percent and 3 percent of Ivory Coast; and 11 percent, 9 percent and 8.2 percent of Togo. Coffee and cocoa account for 9.2 percent and 9.6 percent, respectively, of Sierra Leone's exports. Cocoa alone represents 42 percent of Ghana's total exports; cotton, 45 percent and 39 percent, respectively, of Burkina Faso's and Mali's total exports.

Cocoa and coffee account for 2.4 percent and 4.2 percent, respectively, of Liberia's exports; cotton, 5.3 percent of Guinea-Bissau's.

Among other ECOWAS members, exports of the three commodities account for less than 5 percent of total exports.

Nigeria's dependence on petroleum for 96 percent of its total exports, compared with 1.7 percent for cocoa, masks its role as a major cocoa exporter, accounting for 12.2 percent of total world cocoa exports.

Indeed, West Africa is the dominant force in cocoa production in the world, with 57 percent of total exports. Unfortunately for the region, that dominance has not translated into higher prices.

Cocoa prices fell sharply in 1981-1982 and recovered in 1983, but have moved erratically lower since. In early 1984, prices went up to $2,800 per metric ton, a level not seen since 1980. Drought and political unrest in Ghana spurred much of the price rise. Lately, however, the move of cocoa supplies from deficit to surplus, combined with a deterioration in consumption, has sent prices tumbling, particularly since the first of this year.

Currently, cocoa is trading at around $1,680 per metric ton on the New York Coffee, Sugar and Cocoa Exchange. Although cash market prices for Ivory Coast cocoa have recently been quoted at levels somewhat above that, prices are off sharply from even year-ago levels and drastically lower than those of two years ago.

World cocoa bean production for the 1985-1986 crop is now forecast at 1.88 million metric tons, only slightly below the record 1984-1985 levels and more than enough to meet global consumption, according to the U.S. Department of Agriculture (USDA).

Within West Africa, the USDA estimates that Nigeria and Ivory Coast will post declines in cocoa bean production in the current growing year. Nigerian production may be down as much as 30 percent because of adverse weather conditions. Production in Ivory Coast is not expected to fall as drastically, but is nonetheless likely to drop below the previous year's levels because of dry weather late last year.

Ghana, the nation most dependent on cocoa exports in the region, is expected to boast a strong rebound from year-ago production levels, when continued drought cut output. Nonetheless, production this year will remain half of what it was a decade ago.

In fact, cocoa production for all of West Africa has been stagnant throughout the 1980s. In sharp contrast, production in Latin America has grown by 20 percent and in Asia and Oceania by 100 percent during the same period.

The other problem for cocoa is consumption. Chocolate sales in 1985 failed to rise above 1984 levels, according to the Swiss Chocolate Manufacturer's Association. Add to that the USDA's report that U.S. cocoa bean grindings during the first quarter of 1986 fell 13 percent, and the outlook for any imminent pickup in demand is bleak.

The impotence of the members of the International Cocoa Agreement (ICCA) has compounded the problem. They have yet to convince the world's largest producer of cocoa, Ivory Coast, or the world's largest cocoa consumer, the United States, to join the organization. Without the participation of these two, the organization's ability to impose effective quota and price levels has been all but impossible.

Under the agreement, which expires Sept. 30, cocoa's price is supposed to be supported at $1.06 a pound ($2,337 per metric ton) with a ceiling of $1.46 per pound ($3,219 per metric ton). Yet, current prices remain around $.76 a pound, showing the lack of effectiveness of the agreement.

Members of the ICCA last met in January. No new plans for making the agreement more effective were adopted, however, and the meeting broke up when Ivory Coast reiterated its decision not to become a signatory.

Recently, Ivory Coast has said that it will at least participate when the organization meets again in July. However, there are doubts as to whether this may signal a breakthrough.

Perhaps pushing Ivory Coast closer to joining other ICCA members is the continuing slide in prices and fears of how much further they might drop should the agreement expire in September without a replacement. In that case, the ICCA's buffer stock of 100,000 metric tons of cocoa would probably be dumped on the market, sending prices even lower.

As a result of these factors, market analysts are less than sanguine about the outlook for cocoa prices. Unless drought conditions or disease strike cocoa-producing areas in West Africa or Brazil, few see any likelihood of a rebound. Most likely, this summer's meeting of ICCA members will produce little in the way of progress. As a result, the global cocoa surplus, combined with the threat of liquidation of the ICCA's buffer stock, will likely push prices lower through much of the year, analysts say.

In contrast to cocoa, West African coffee growers have benefited from higher prices recently.

Beginning in October of last year, the impact of severe drought in Brazil and political unrest in Uganda hit the coffee market with full force. Coffee prices on the New York exchange jumped from $1.40 per pound to $2.75 per pound by early January.

The sharp rise in prices prompted the International Coffee Organization (ICO) to increase the export quotas of its members in an effort to stabilize prices. Despite these efforts, prices continued to rise, jumping to their highest levels since 1976.

In February, all export quotas were suspended by the ICO. As a result, prices eased somewhat. Subsequent information, disputing rumors of widespread damage to Brazilian coffee-producing regions because of drought, also put pressure on prices.

Most recently, the absence of crop-reducing frost in Brazil's major growing areas added to declines in coffee prices.

Since hitting its peak in early January, the price of coffee has retreated by about one-third. Still, it remains well above levels seen during the last six years.

Under the current ICO agreement, policies were put in place to keep coffee prices stabilized at between $1.20 and $1.40 per pound. As long as prices stay above that level, the organization's suspension of all export quotas will remain in force.

Despite the retreat from their January highs, coffee prices are likely to remain firm.

World green coffee production for 1985-1986 is estimated at a record 98.6 million 60-kilogram bags. That is about 9 percent more than last year. World consumption in 1985-1986 is expected to total 93 million bags, according to the USDA.

Although the recent sharp spike in coffee prices is certainly an anomaly during this period of disinflation, the ICO can claim significant credit for preventing the kinds of price declines that other commodities have suffered during the 1980s.

The adherence of all major coffee-producing countries to the organization's quota system and price range, combined with major consuming nations' participation, make the ICO a success compared with the failure of the ICCA.

The benefit derived by West Africa because of higher coffee prices, however, is not nearly as significant as would occur should cocoa prices surge. Where West African producers account for 57 percent of the world's cocoa exports, the region produces only 5 percent of the world's coffee exports, with Ivory Coast responsible for 80 percent of that.

This year, Ivory Coast is expected to produce 5 million bags of coffee, its largest crop since 1980-1981. Although the largest coffee producer in all of Africa, Ivory Coast's production pales in comparison to Brazil's estimated 1985-1986 production of 33 million bags.

Only in Togo and Benin has there been a significant increase in coffee production during the past five years. Coffee production in Ghana, Guinea and Liberia has either been stagnant or falling since 1980. In fact, there has been very little change in the amount of exportable coffee worldwide since 1980, another reason that the ICO has been relatively successful in preventing price declines.

Cotton, like cocoa, has also suffered from far too much production and much too little demand in recent years.

After falling from 1980 to 1982, cotton prices staged a rebound in 1983 and early 1984. Since then, however, record worldwide production and increased competition from petroleum-based polyesters have sent cotton prices reeling. For a time in mid-1985, cotton prices plunged below even the levels registered during the 1981-1982 world recession.

Currently trading at around $.67 per pound, cotton prices are about $.10 above their 1985 lows, but no higher than the average depressed price registered during 1982.

Contributing to the price plunge in 1984-1985 was record world cotton production of 87.7 million bales. The 1985-1986 world cotton crop is estimated by the USDA to have dropped to 78 million bales; the 1986-1987 crop forecast to 75 million bales.

World cotton consumption, by contrast, was virtually unchanged between the 1984-1985 crop years and the 1985-1986 crop years. As a result, beginning stocks in 1985-1986 jumped to 42.6 million bales from 24.6 million in 1984-1985 and are forecast to rise further to 47 million bales in 1986-1987, according to the USDA.

An unknown factor is the effect that this year's plunge in oil prices will have on cotton consumption. Since oil prices began to fall in 1980, petroleum-based polyester fabrics have become more price competitive with cotton textiles. With oil prices being cut in half since last summer, that price competition is likely to accelerate.

While West Africa's cotton exporters are relatively small, comprising less than 3 percent of total world cotton exports, the dependence of Benin, Burkina Faso and Mali on this crop is considerable. Respectively, these three ECOWAS members depend on cotton for 21 percent, 45 percent and 39 percent of their total exports.

Togo derives 8.2 percent of its export earnings from cotton; Sierra Leone, Ivory Coast and Guinea-Bissau 5 percent or less.

For all of West Africa's producers of cocoa, coffee and cotton, the first half of this decade has been a difficult one. The general disinflationary trend of the 1980s has meant trouble for nations dependent on exports of primary commodities.

For the second half of the decade, the outlook for cotton and cocoa prices remains guarded. Production of both commodities is likely to remain in excess of demand by a significant margin.

Although the success of the ICO has benefited West Africa's coffee exporters, it remains to be seen how long coffee prices can stay at current levels, particularly in the face of rising production and stagnant consumption.

As a result, ECOWAS members that rely on exports of cocoa, coffee and cotton for the bulk of their economic lifeblood continue to face an anemic future.

RANDELL E. MOORE is a Washington-based freelance financial writer.

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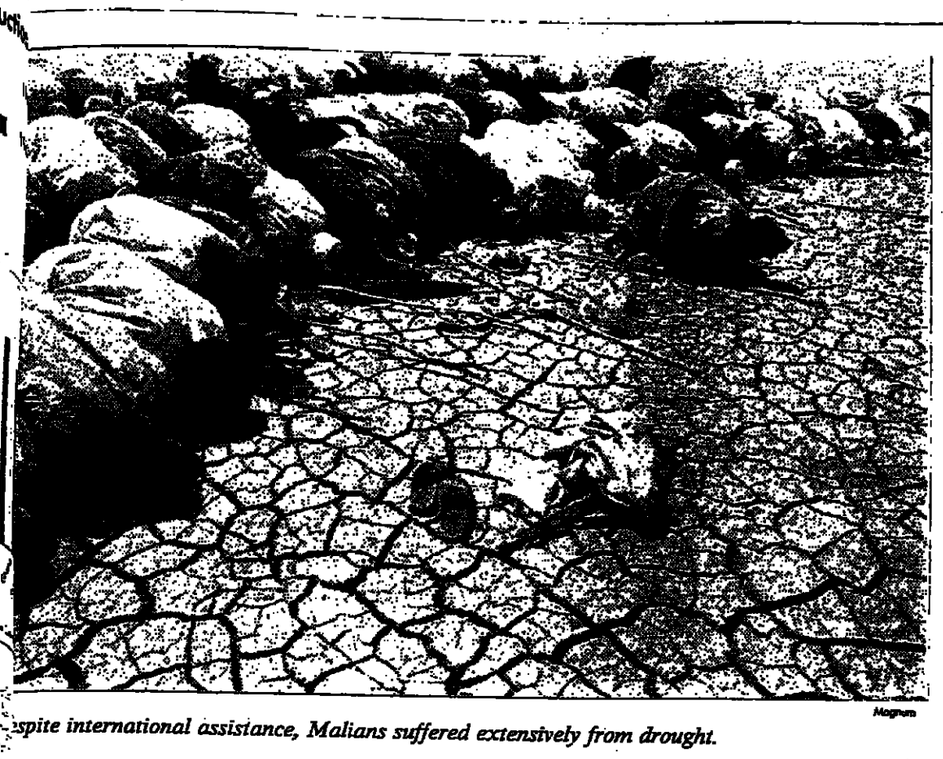


Magnum

Despite international assistance, Malians suffered extensively from drought.

Magnum

Relief and Rain Barely Avert Disaster in Sahel

By Howard French

MASSINA, Mali — We arrived in the village after a rough 45-minute drive along seven kilometers of the Niger River bank from the regional capital of Massina. The Project CARE four-wheel-drive ve- twice succumbed to the deep mud and slippery ruts of the al track, requiring that we attach a winch to the nearest tree ull it forward.

The elders of this village of 813 inhabitants greeted us in the dow of an impressive earthen mosque which, they said, had n designed by a mason from the famous spired mosque of nne. Infants with blurry eyes and runny noses timidly rounded us, some betraying their fear of the three foreigners, o were accompanied by a Malian CARE worker who spoke local language, Bambara.

The elders said that their mosque had been built on the edge the Niger River. A very different river flowed about 200 ters away, now managing to fill only one-tenth of its wide . That proved to be our most graphic illustration of the cts of the Sahel drought of the first half of the decade.

By the water's edge, two women and a small group of children ught up water from the village's only well. In other villages visited, people took their drinking water directly from the r, while others bathed and washed clothes nearby. Thus, it explained, the interest of CARE, a private aid agency, in ugurating a village well-digging project in the very poor ion of Massina, an area accessible by land transportation y once a week from the capital, Bamako, about 400 kilome- (250 miles) to the south.

he Sahel region, encompassing Senegal, Gambia, Mauritа- Mali, Burkina Faso, Niger and Chad, was able to avert a edy on the scale of that in Ethiopia and Sudan largely because of the intervention of international relief and aid agencies.

Indeed, the thin strip of tarred road leading from Bamako to Mopti, which serves as the major axis for internal communications in Mali, is lined with an array of internationally sponsored aid or "cooperation" projects.

"Everyone, from the World Bank to Italy, the Netherlands, France, China, and the U.S., has a project along this road," said Ali, a Malian aid worker. "Mali has become the land of cooperation par excellence."

Since late last year, with the return of rains to much of the region, some have pronounced the emergency over, and a number of agencies, from the Red Cross to USAID, are reducing their involvement here.

However, a USAID official in Bamako warned: "The prevalent myth this year is that the drought is over." He added that in large areas of Mali, Mauritania, Niger and Burkina Faso, "we have seen livestock herds devastated, leaving nomadic and pastoral populations with no resources."

Studies suggest that in Mali alone, the last drought forced the displacement of more than 100,000 people, creating many problems in the fertile, but now overcrowded areas in the south.

The chief near Massina said that over the past few years many young men had left their villages near Massina to seek work in the greener south or abroad. He said that his village now had a disproportionate number of elders, unmarried young women and children.

The longer-term problems facing the Sahel are daunting. Many aid workers believe that an Ethiopian-type famine in the years ahead cannot be ruled out. A study commissioned by USAID in 1985 pointed out that migration from many areas in Mali was increasingly likely to be permanent.

The report noted that in the region of San "young girls and women are now emigrating, along with young men." Traditionally, females had been forbidden to leave this area but increasingly hostile conditions have broken the hold of tradition.

In the ordinarily harsh Dogon plateau area, suicide, once a rare phenomenon, last year reached the rate of seven to eight a week, with men hanging themselves because they were no longer able to feed their families.

In the fertile Sikasso region of southern Mali, the only person who claimed to be better off than five years ago was a gold merchant who had been able to buy gold from desperate refugees at low prices. Population pressures here have created conflicts between indigenous sedentary peoples and the nomadic newcomers arriving from the north. Relief efforts are further complicated by the nomads' near-total ignorance of agriculture.

As emergency aid is phased out, many argue that aid agencies must redouble their efforts at preventive action. Studies show that rainfall patterns in the Sahel are cyclical. However, the depletion of rain forests in neighboring coastal countries and poor land management and overgrazing in the Sahel itself are also believed to have led to a deterioration of rainfall cycles, with drought increasingly tending to be the norm.

With its fragile soils and sparse and uncertain rainfall, World Bank studies suggest that the Sahel has already reached a population level requiring optimum use of all productive lands if it is to feed itself. However, its population growth continues to hover near 3 percent, and many experts predict that only dramatic measures taken now will enable the Sahel to avert catastrophe.

Given the high level of dependence on outside aid, many experts deplore the lack of consensus on priorities or approaches to dealing with the region's problems.

One senior diplomat said, "While coordination on emergency relief worked smoothly, there has been little effort to coordinate long-term actions."

Mauritania Moving To Save Oasis Towns

NOUAKCHOTT, Mauritania — Aided by the United Nations Educational, Scientific and Cultural Organization, Mauritania is taking steps to save its rich Saharan architectural and cultural heritage.

The country's medieval oases stretching across the Sahara — Chinguetti, Ouadane, Tichitt and Oualata — are suffering from a lack of year-round water supply, the corrosive action of wind-blown sand and general neglect.

"From the historical viewpoint," said Abdel Wedoud Ould Cheikh, a sociologist at the Mauritanian Institute of Scientific Research (IMRS), "Mauritanian territory served as the point of passage for trade between North and West Africa."

Along these caravan routes from southern Morocco to Timbuktu, in today's Mali, a powerful string of cities grew and prospered from trans-Saharan commercial activities.

These oases in the Saharan wasteland were also important centers of Islamic learning, playing a key role in the propagation of the religion south of the Sahara into black Africa.

For example, Chinguetti, probably Mauritania's most ancient Saharan town, was well-known to Portuguese navigators in the 15th century and its fame as a focal point of Islamic erudition reached as far away as the Arabian peninsula.

Even today, Mauritania is often referred to in the Middle East by its traditional name: "the country of Chinguetti." Poets, theologians, scholars and *marabouts*, or Moslem religious leaders, flocked to Chinguetti during its halcyon days in the 17th and 18th centuries.

Decline set in during the colonial era at the end of the 19th century as trade and communications routes shifted. The oasis's population gradually declined.

Despite the depredations of time and desert raiders, the town's oldest quarter, dominated by a tall minaret of stone, remains remarkably intact, a silent witness to Chinguetti's past glory.

The residential quarters have suffered badly with more than half the houses in ruin and the others generally in disrepair. Nevertheless, the people proudly show visitors their precious old manuscripts, passed down from one generation to the next, and willingly recount legends and oral traditions.

Nearby Ouadane, which was probably established in the 13th century, has the most extensive medieval ruins in Mauritania. The rubble of the old town extends over many acres, but it is still possible to imagine the streets and fortifications. Because of its isolation, Ouadane is in even worse shape than Chinguetti. Its once-prosperous palm grove is being devoured by advancing sand dunes.

Hundreds of miles to the south, Tichitt was the next major rest and supply spot for Saharan caravans. The town, nearly deserted now, is set on a sandstone promontory overlooking the surrounding desert landscape. The houses and mosques were built out of the local sandstone, which varies in color from subtle pink to dull gray.

At its zenith, the town had 1,500 homes and a population of about 5,000. Now there are only about 275 houses, half in ruins, and about 400 inhabitants.

The last stopover for caravans on their way to Timbuktu was Oualata. The town's architecture is a synthesis of Moorish and black African traditions. The houses are painted with a dull red dye, and the doors and windows are decorated with elegantly painted white arabesques. The narrow streets are reminiscent of the medinas in North Africa.

Oualata's mosque is in extremely poor condition, with the minaret in ruin. Oualata, more than the better-protected towns to the north, suffered from the region's political upheavals in the precolonial period. With modern commercial and administrative activities moved to Nema, about 100 miles (162 kilometers) south, Oualata's population has slowly diminished.

The lack of funds and trained personnel has stymied the program to preserve this Saharan cultural wealth. Some work has been done to renovate the mosques, libraries and other historical dwellings.

The long-term goal of the Mauritanian government is to try to restore these oasis towns, blending the past with the modern infrastructure.

It is doubtful that all can be saved because the task is immense, but part of this Saharan heritage, especially in Chinguetti and Ouadane, can be rescued from the onslaught of time and sand if the government is able to attract sufficient support overseas.

Mauritania also has many archaeological sites of historical importance. The most outstanding is Koumbi Salah in the southern part of the country near the Malian border. It is the supposed capital of the ancient empire of Ghana, which existed from the seventh to the 11th centuries.

Several digging campaigns have been undertaken over the past 50 years, uncovering part of the Ghanaian capital.

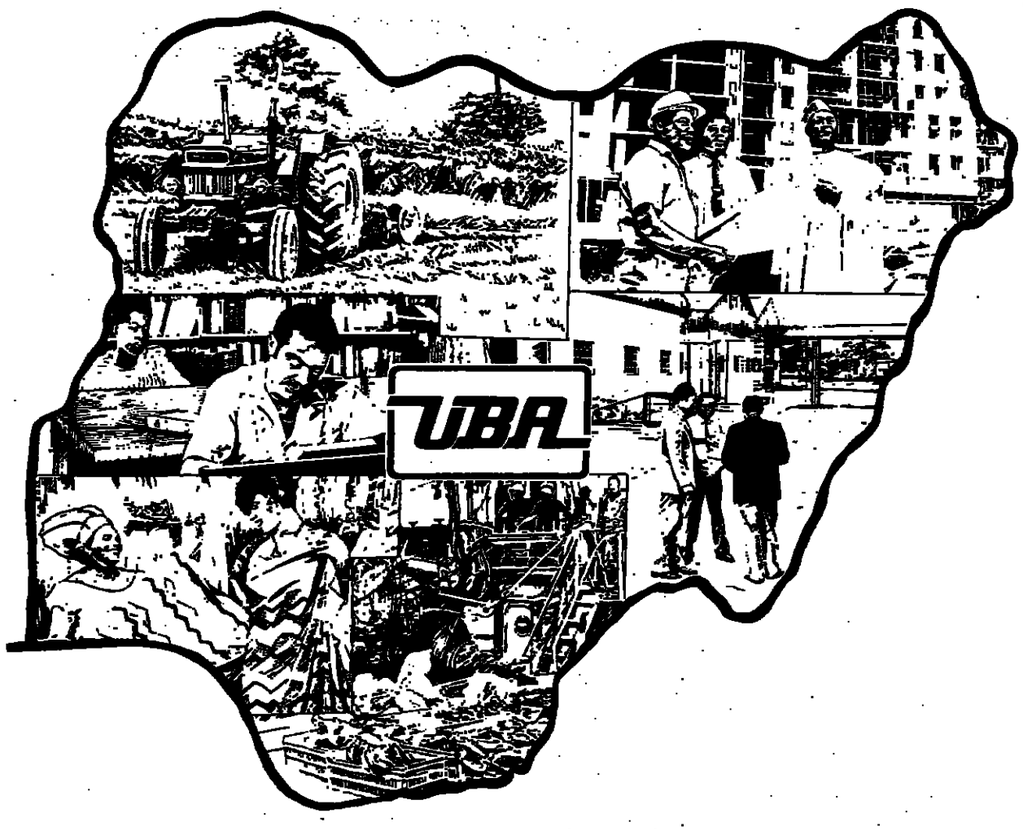
Again, insufficient funds and a dearth of archaeologists has impeded work on what could be considered one of West Africa's most interesting archaeological sites.

The ruins at Azougui, in northwestern Mauritania close to the town of Atar, have long fascinated historians and archaeologists.

It was not until 1960 that an English professor began excavation on what was thought to be the citadel from which the ancient Moors, known as the Almoravide, set out in the 11th century to conquer Morocco and then Spain.

Bernard Saison, a French archaeologist and historian, said that the latest dig tends to prove that Azougui was probably not the legendary fortress of oral tradition, for the oldest vestiges date only from the 14th century. It will require more work to understand Azougui's role in the medieval history of this region of the Sahara.

Howard Schissel



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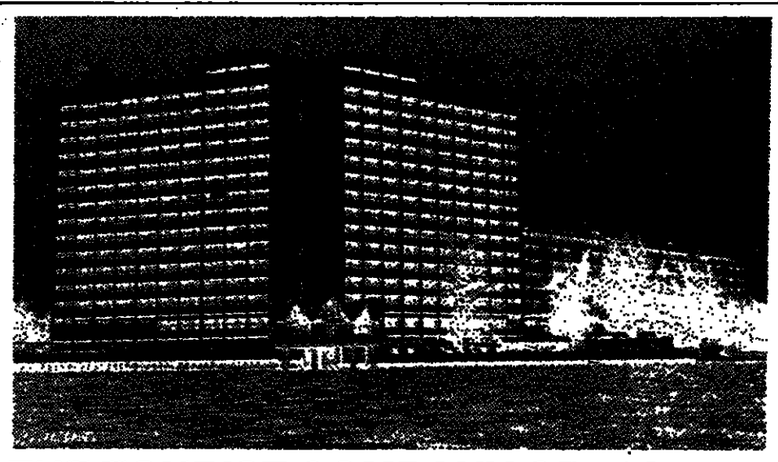

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Regional Relations

Burkina Faso-Mali 5-Day Border War Put Wary Neighbors on Guard

By Howard French

BAMAKO, Mali — The five-day border war that broke out on Dec. 25, 1985, between Mali and Burkina Faso activated diplomacy in the region in a way that has rarely been done before.

The short-lived war between two of this underdeveloped region's poorest states was allegedly fought over an old border dispute. In reality, however, it was the product of long, mounting mistrust between two radically different styles of government.

Since taking power in August 1983, Burkina Faso's revolutionary young president, Captain Thomas Sankara, has aroused the suspicion of his conservative francophone neighbors by pledging a break with the past for his country. Captain Sankara has targeted corruption in government and he has urged greater self-reliance and a rethinking of the privileged relationship that France has maintained with most of its former colonies since their independence.

Shortly after coming to power, Captain Sankara alienated conservative francophone leaders when he expressed his government's solidarity with the Socialist-inspired government of the Ghanaian leader, Jerry J. Rawlings.

The early rapprochement between these two states broke with the usual diplomatic tradition of French-speaking West Africa, a tradition in which new governments sought their legitimacy in the recognition of the dean of regional politics, Félix Houphouët-Boigny, the president of Ivory Coast.

One by one, Captain Sankara has managed to win over most of his initially wary neighbors, assuring them of his benign intentions. The notable exception has been Moussa Traoré, the president of Mali. Relations between Mali and Burkina Faso have continued their historical pattern of intermittent hostilities. Military conflict between their closely related peoples dates back at least to the 15th century, when warriors from the Mossi kingdom of present-day Burkina Faso helped bring down the Mali empire.

Animosity between the two governments was aroused when Captain Sankara assumed the presidency of the West African Economic Community (CEAO) and promised to clean up corruption in that body. The implication of prominent Malians in CEAO's financial scandals and Captain Sankara's prosecution of the matter were perceived in Mali as indirect attacks against the Malian government, which was already having difficulty imposing stringent austerity measures on an increasingly restive population.

On Sept. 10, 1985, following his return from a regional "entente council" meeting in the Ivorian political capital, Yamoussoukro, Captain Sankara stated that the "Malian people are in need of revolution, and the Burkinabe revolution is at their disposal."

As one Malian soldier said, "Sankara was admired perhaps more here than in his own land until that day. He offended the entire nation, showing us how arrogant a young man he could be."

Some observers said that Captain Sankara's provocative statements were a reaction to a bid by heads of state of the entente council to persuade him to drop his prosecution of the CEAO corruption scandal. From that time on, the two governments exchanged bitter jabs, as well as half-hearted initiatives, primarily from Ouagadougou, to ease tension.

Western diplomats in each capital attribute the war's eruption to the aggressivity of the opposite capital. What seems certain is that each side's peculiar political motives encouraged the outbreak of fighting.

Some diplomats speculate that with rumors of an impending strike by the powerful Malian teachers union, Captain Sankara "imagined that this war would be the coup de grace to end the 15-year reign of Moussa Traoré."

Others argue that the Mali government made no attempt to avoid confrontation, hoping — rightly as it turned out — that a war would distract the people from their economic problems. Last year, Malian civil servants typically suffered three- to four-month salary delays.

The fighting initially was concentrated in the long-disputed Agacher region: Burkina Faso's extreme northern border with Mali. The Mali government, possessing more sophisticated equipment, escalated the confrontation by staging an air raid with MiG-17s on the Burkinabe city of Ouahigouya, in which it is said that 13 people died and 35 were wounded.

Burkina Faso retaliated by using a transport plane to drop a small explosive payload on the southern Malian town of Sikasso.

Meanwhile, competing influences in the region were shuttling between the warring capitals, trying to implement rival cease-fire agreements.

President Chadli Bendjedid of Algeria, whose government has maintained close ties with both Bamako and Ouagadougou, is said to have spoken by telephone with Mr. Traoré and Captain Sankara immediately after the outbreak. Meanwhile, Nigeria, ECOWAS's dominant power, and Libya sent their foreign ministers to the region, where they pieced together the first of a series of cease-fire agreements.

The Libyan foreign minister, Ali Abdel-Salem Treiki, prematurely announced the first such agreement on Ouagadougou radio. Within hours, it was discredited by a renewed Malian ground assault. A subsequent agreement sponsored by Nigeria and Libya was announced by radio in both Bamako and Ouagadougou. It, however, was overshadowed by a diplomatic move by the conservative governments of the long-dormant Nonaggression and Defense Accord (ANAD).

Linking seven of West Africa's French-speaking states, ANAD was revived through the efforts of Senegal, Ivory Coast and Togo. By Dec. 30, ANAD had exploited Mali's distrust of Libya, which it accused of supporting Burkina Faso, arguing that the previously announced agreement would call for the installation of Libyan and Nigerian observers in the disputed area and should be replaced by an ANAD cease-fire that would only involve observers from the immediate region.

Burkina Faso was coaxed into accepting this arrangement when ANAD included nonmember Benin in the observer team. The inclusion of Benin, the only other avowedly leftist francophone state in the region, is said by diplomats to have reassured Ouagadougou that the conservative ANAD states would not be partial to Mali.

The final ANAD cease-fire communiqué failed to mention Nigerian or Libyan participation in peace negotiations. Some observers have seen the success of the ANAD diplomatic initiative as a major victory for Ivory Coast, which was given much of the credit for the arrangement, ANAD, and by extension, France.

Following the war, France has bolstered its military ties to Mali, becoming for the first time since Malian independence a serious rival to the Soviet Union as a supplier and trainer of the Malian Army.

At the same time, some observers have described the ANAD agreement as a setback for Nigeria, which, under Major General Ibrahim Babangida, has tried to reactivate its diplomatic activities.

Malian officials deny any intended snub to Nigeria in accepting ANAD mediation, saying that their "objection was to Libyan participation." Burkina Faso's ambassador to Mali an Ivory Coast, Frédéric Korsaga, said: "We a tempted to have the efforts of Nigeria praise in the final communiqué, but were overruled.

While awaiting the border-delimitation ve dict of the International Court of Justice The Hague, Mali-Burkina relations have r mained tense. Strict identity checks and roa blocks are being maintained throughout muc of the Malian countryside as part of a troo alert in the border region. Malian soldiers sai that they have been told that Burkinabe troop were firing artillery near the disputed zone, charge denied by Mr. Korsaga.

Despite visits to opposite capitals by Bu kina Faso's foreign minister and the new named-Malian prime minister, Mamdou Dem bélé, one Malian officer seemed to sum up th sentiments on both sides. "We just can't tru them anymore," he said.

President Moussa Traore of Mali, left, and Captain Thomas Sankara of Burkina Faso, meeting for the first time since their war in December.

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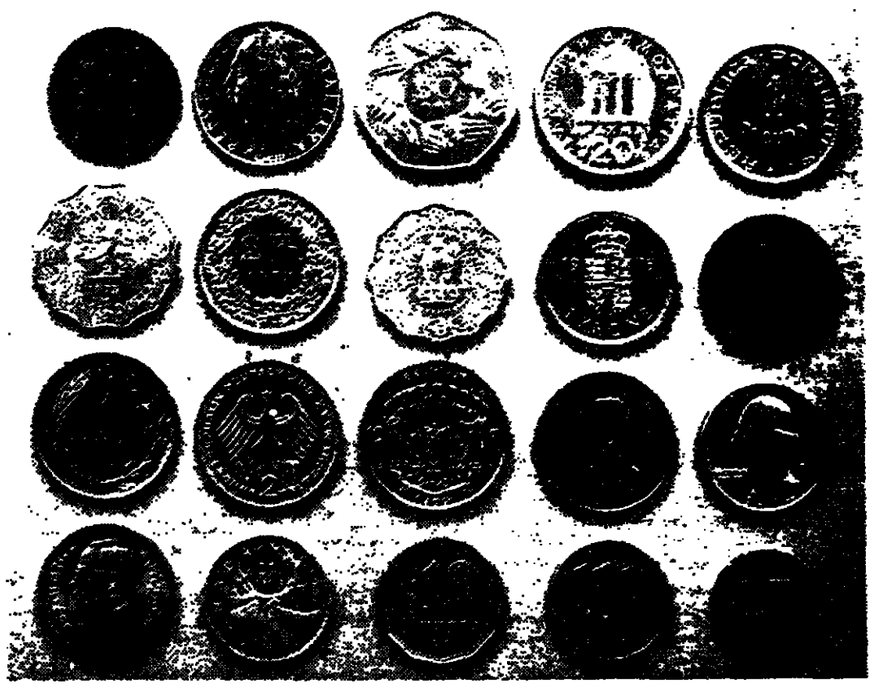

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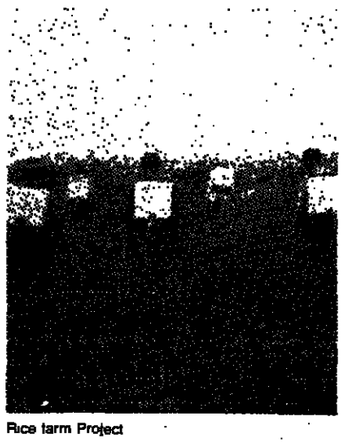

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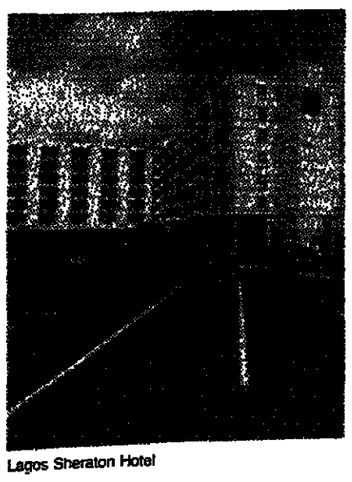

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For the Traveler

eeking Traces of Empire long Mali's Great River

By Howard French

KOULOUBA, Mali — On Sunday, June 8, a worker from my hotel, Soumaila Diakite, received me warmly at his small cement-block home in the Bamako suburb of Kou- to share in the end of the Ramadan festivities with family of two wives and six children.

Mr. Diakite, draped in an embroidered "grand bou- " robe, complained that "the holiday will be very est this year. Its announcement late yesterday gave ple little time to prepare properly."

hen I said that it had been known for several days the holiday, whose timing depends upon the sighting e moon, would fall on Sunday or Monday, he replied od humor, "The Malian people are very bad at aring in advance. Had we known 20 days ago, we dn't have been ready."

stayed with the Diakites for the better part of the ing, sharing with them cola nut, and later a bowl of idge. Mr. Diakite explained, "No major purchases required for this holiday. You see to it that your ly eats well, and that your children are well dressed, you visit your inlaws and friends. This is a good lay for the poor. A gesture to spruce up the children do."

sides the uncommon hospitality of one of the d's poorest peoples, Mali offers an abundance of rical assets to interest the hardy traveler. The Niger r, with its origins in the Guinean highlands, is the ne of this country. Its generous waters and regular lings fostered the birth of a number of empires, ding the one that gave Mali its name.

nfortunately for the modern traveler or tourist, little ins of Mali's grandeur. However, strung along the t river, now reduced by drought to perhaps one-tenth ormal volume, are traces of the city-states and ires of historical interest. These are Segou, Djenne, Timbuktu and Gao, each of which has had its turn at pre-eminence.

Mali's grandeur was first acknowledged by the outside world when the Arab explorer El Bekri wrote of the existence of highly organized states in the Niger delta region in the 13th century. These contrasted sharply with the small tribal societies hitherto encountered by Arab traders, who were in search of gold, spices and slaves in Sudanic Africa.

The country's first great leader, Soundiata Keita, extended the power of the Niger delta peoples by conquering vast stretches of land from the equatorial forests of the south to the Atlantic Ocean to the west. According to legend, the price of gold in Arabia plummeted when Soundiata's great successor, Mansa Moussa, made a pilgrimage to Mecca at the head of an immense caravan loaded with quantities of the precious metal.

Mansa Moussa's reign, from 1307 to 1332, was the apogee of Malian power. The ambitions of Mali's empire builders exceeded their means and in a process that would repeat itself in succeeding centuries, overextended empires would fall victim to the attacks of fiercely independent peoples on the periphery.

In the 15th century, the Songhai Empire, built around the commercial capital of Gao, and the cultural center of Timbuktu rose to greatness that would last until defeat by Moroccans and nomadic Tuaregs in 1737.

From this time on, Mali's greatness was in the custody of the Bambara kingdom of the southern delta, whose capital, Segou, successfully fought off French colonizers until 1890.

What remains for the traveler to see? Timbuktu, the cosmopolitan gem of the 16th century, meeting place of the Arab and African worlds, and forbidden city of Islamic study, is now deservedly famed as a symbol of remoteness. Little of Timbuktu's rich architectural heritage remains, but the traveler who brings historical interest and imagination to the place will not be disappointed by its 14th-century mosques, tombs of kings and camel-borne salt trade.

Gao, the eternal market place and 15th-century capital of the Songhai, retains a vitality missing from better-known Timbuktu. Similarly rich in tombs and ruined mosques, Gao has the advantage of its ever-flourishing trade of salt, meat, wool, cotton, dried fish and dates. Both of these desert outpost towns have become centers of international drought-relief efforts, and many visitors are surprised to find abundant if spartan Western communities living amid the nomadic peoples

Perhaps the star attraction these days is the Dogon plateau. This region, reachable after a rough ride of 660 kilometers (more than 400 miles) northeast from Bamako, is inhabited by one of the world's most curious cultures: a people who made the best of a hostile environment, taking up life on cliffs and in caves so as to avoid Islamic crusaders.

John Vink

A historic culture has survived and adapted to the hostile environment of the Dogon Plateau region of Mali.

Fishing

oreign Fleets ule the Waves

By Howard Schissel

DAKAR — A dozen modern Soviet trawler-freezer vessels nonchalantly bob in the py sea outside the port of r, which is being increasingly ed by the Russians as a rest repair base for their West can fishing fleet.

ith catches along the West can coast, particularly the from Mauritania to Sierra ne, totaling over three million a year and worth close to $1 on, the Soviet Union is by far largest fleet operator in the n. According to Food and culture Organization (FAO) es, the Russians account for t a third of the annual intake nnage terms.

elations between the Soviet on and a number of West can nations have become ined over fishing rights. ea-Bissau, a former Portue colony, even ended its mar- agreement. But repeated ex- s by Western and Asian s in West African waters also created hard feelings.

frica's Atlantic seaboard is of the best-stocked fishing nds in the world, but re- ces are unevenly divided. Be- e of upwellings along the t from Mauritania to Sierra ne, this area is the richest. In parison, the Gulf of Guinea, hly from Liberia to Zaire, relatively poor fishing re- ces, with low productivity a narrow continental shelf.

ne most frequently caught in these waters are the sur- varieties such as sardines, inella, mackerel and ancho- Deep sea varieties include kers, hakes, sea bream, sole, per and groupers. In addi- certain areas like Maurita- Arguin bank and offshore gal and Gambia possess ities of high-value shrimp, er, squid and octopus.

is no wonder, then, that West an fishing grounds attract s of ultra-modern vessels many countries. These ves- currently account for about rcent of the total catch, Al- gh most foreign vessels now ate in the framework of bilat- ishing agreements with West an nations, one Mauritanian al declared that "the prac- of some foreign fleets in itanian waters is the mod- ay equivalent to piracy."

the Russians capture the t quantity of fish, it is the iards, strategically located in anary Islands, who harvest igh-value species. FAO fig- indicate that Spanish boats take a catch worth over million.

velopment experts working West African fisheries sec- stimate that official data only represent as little as of the catch actually made. countries actively engaged est African fishing include Korea, Japan, Portugal, It- d France.

rican governments have largely incapable of ending ssault on their offshore re- s. Over the past few years, have sought to put in place -nautical-mile (324-kilome- xclusive economic zone. ver, it will be a long time before they will be able to effectively patrol their immense maritime territories to limit poaching and the flaunting of recognized fishing procedures.

According to the Food and Agriculture Organization, the most common offenses are not flying the flag, not having an identification number on the boat, incorrect reporting to authorities of the catch and not respecting the zone close to the shore reserved for local fishermen using canoes.

Efforts are being made to beef up local surveillance and coast guard facilities. In Senegal, for instance, the Canadian government is financing a program to protect Senegal's economic zone. Similar programs are being sponsored in Mauritania, Gambia and Guinea-Bissau.

A number of nations have also tried to set up modern canning and fishing industries onshore; their performance to date has been disappointing. West African canning industries find it hard to compete on cost terms with the larger, more modern installations at the Canary Island fishing center at Las Palmas.

The fledgling fish-processing industry is also hampered by the unreliability and high cost of electricity, the lack of sophisticated communications and the problem of transporting the finished product to the consumer markets.

Another headache is assuring a steady supply of fresh fish. Mauritania tried to put into force a new fisheries policy in view of setting up joint ventures assuring the landing of part of the catch at the port of Nouadhibou for processing at local factories. Local businessmen, often linked to overseas interests, have tried to undermine the government policy on fisheries.

So far, Mauritania has been losing its struggle to control this important industry. The Mauritanian leader, Colonel Maouya Sidi Ahmed Ould Taya, recently declared that it was "necessary to put an end to the anarchic policies in the fishing industry, which has resulted in the flourishing of fictitious companies and all other sorts of irregularities."

Many smaller nations do not have the clout to negotiate on equal terms with foreign partners. Mauritania and Senegal, badly in need of hard currency, had to backtrack on their attempt to build up a national fishing industry because they proved to be inefficient.

The FAO has initiated a regional fishing program, called the Project For the Development of Fisheries in Eastern Central Atlantic, to develop West Africa's fishing potential. The three-point program encompasses fish resource management, the provision of adequate fish supply to match the needs of local markets and the socio-economic development of the fishing sector to meet local needs.

The program has increased the knowledge of fishery resources as well as their state of exploitation and has helped to bring the coastal nations together to deal with common problems. Perhaps in the future it could evolve towards a regional body to deal with mobilizing resources and manpower to build up its fishing potential.

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Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
[illegible]										

U.S. Futures

Via The Associated Press

June 27

Grains

[illegible]

Livestock

[illegible]

Food

[illegible]

Metals

[illegible]

Financial

[illegible]

Industrials

[illegible]

Stock Indexes

[illegible]

Commodity Indexes

	Close	Previous
Moody's	984.10 f	983.90
Reuters	N.A.	1,461.80
D.J. Futures	N.A.	113.21
Com. Research Bureau	N.A.	203.56

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Currency Options

June 27

PHILADELPHIA EXCHANGE

[illegible]

Total call vol. 6,573 Call open int. 294,122
Total put vol. 26,347 Put open int. 218,588
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

NYSE Highs-Lows

NEW HIGHS 135

[illegible]

NEW LOWS 15

[illegible]

West Germany Plans 2.9% Spending Increase

Reuters

BONN — Government spending by West Germany in 1987 would rise 2.9 percent to 271 billion Deutsche marks ($122 billion) under the draft budget presented Friday by Finance Minister Gerhard Stoltenberg.

New government borrowing would rise to 24.29 billion DM from a planned 23.66 billion in 1986 and rise again to 26 billion DM in 1988. But it would fall to 25.1 billion in 1989 and 22.3 billion in 1990, he said.

Of the main sectors in the overall budget, military spending was expected to rise 2.8 percent to 51.30 billion DM, while outlays for social and labor programs would rise 1.8 percent to 59.55 billion. The recently formed Environment Ministry would have a budget of 427.5 million DM.

The draft budget will be presented to the cabinet next week and will go to parliament in the fall.

Meanwhile, the federal statistics office in Wiesbaden estimated Friday that West Germany's cost-of-living index rose 0.2 percent in June from May but that it was 0.2 percent lower than in June last year.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Japan

Mitsukoshi

Year	1986	1985
Revenue	689,930.	657,700.
Profits	1,080.	(a)3,060
Per Share	2.46	7.06

a: loss.

United States

American Med. Int'l

3rd Quar.	1986	1985
Revenue	907.5	694.2
Net Inc.	21.5	52.6
Per Share	0.25	0.62
9 Months	**1986**	**1985**
Revenue	2,570.	1,940.
Net Loss	32.0	138.0
Per Share	—	1.44

Avery Int'l

2nd Quar.	1986	1985
Revenue	280.2	231.9
Net Inc.	12.9	13.5
Per Share	0.65	0.68
1st Half	**1986**	**1985**
Revenue	529.9	455.5
Net Inc.	24.8	25.2
Per Share	1.25	1.28

Carolina Freight

2nd Quar.	1986	1985
Revenue	138.2	119.7
Net Inc.	4.99	3.20
Per Share	0.74	0.50
1st Half	**1986**	**1985**
Revenue	261.3	229.7
Net Inc.	7.44	5.00
Per Share	1.11	0.80

Pillsbury

4th Quar.	1986	1985
Revenue	1,490.	1,220.
Net Inc.	51.9	47.3
Per Share	1.19	1.09
Year	**1986**	**1985**
Revenue	5,650.	4,670.
Net Inc.	208.1	191.8
Per Share	4.77	4.42

1986 fiscal net includes gains of $14.9 million from sale of properties. 1985 fiscal net includes gains of $15.7 million from sale of property.

Super Valu Stores

1st Quar.	1986	1985
Revenue	2,440.	2,170.
Net Inc.	29.43	29.63
Per Share	0.40	0.40

Shultz Tells ASEAN To Halt Protectionism

Agence France-Presse

MANILA — Secretary of State George P. Shultz renewed his campaign against protectionism here Friday in a speech before Southeast Asian foreign ministers whose countries he said had benefited from open markets in the United States.

"For industrialized and developing countries alike, world economic growth depends heavily on the continued openness of the world trading system," Mr. Shultz told the ministers from Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The six countries, which make up the Association of Southeast Asian Nations, and the group's six leading trading partners — Australia, Canada, the European Community, Japan, New Zealand and the United States — met here Thursday and Friday after the annual ASEAN ministerial conference Monday and Tuesday.

Mr. Shultz's speech followed assertions by Singapore's foreign minister, Suppiah Dhanabalan, that the United States was edging toward protectionism. He said U.S. policy toward products and services of importance to ASEAN countries, such as tin, textiles, sugar and shipping, was "in danger of drifting away from the equable state of the political relationship."

Mr. Shultz, responding, said U.S. trading partners, including those in ASEAN, "must also work to reduce their own protectionist practices and demonstrate an equal commitment to more open trade." He noted that U.S. imports from ASEAN rose 31 percent in the past three years to $15.6 billion, "some $7.5 billion in ASEAN's favor."

London Commodities

June 27

[illegible]

London Metals

June 27

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM Sterling per metric ton				
Spot	756.00	757.00	764.00	765.00
Forward	757.00	757.50	760.00	761.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	873.00	874.00	878.00	879.00
Forward	908.50	909.00	920.50	921.50
COPPER CATHODES (Standard) Sterling per metric ton				
Spot	873.00	874.00	865.00	875.00
Forward	890.00	895.00	890.00	900.00
LEAD Sterling per metric ton				
Spot	264.00	265.00	270.00	271.00
Forward	266.00	267.00	272.00	273.00
NICKEL Sterling per metric ton				
Spot	2645.00	2650.00	2670.00	2675.00
Forward	2665.00	2670.00	2690.00	2695.00
SILVER Pence per troy ounce				
Spot	327.50	328.00	331.00	332.00
Forward	334.00	335.00	339.00	341.00
ZINC Sterling per metric ton				
Spot	460.00	465.00	455.00	460.00

Source: AP.

Asian Commodities

June 27

[illegible]

Source: Reuters.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

June 27

Strike Price	Calls-Settle Sep	Dec	Mar	Puts-Settle Sep	Dec	Mar
44	2.22	2.44	—	0.53	0.94	1.22
45	1.56	2.24	2.74	0.86	1.31	1.48
46	1.06	1.71	2.26	1.35	1.74	2.06
47	0.68	1.33	1.83	1.95	2.32	—
48	0.43	0.99	1.44	2.68	2.97	—
49	0.26	0.72	—	3.58	—	—

Estimated total vol. 3,247
Calls: Thu. vol. 1,586 open int. 41,111
Puts: Thu. vol. 858 open int. 22,506
Source: CME.

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Paris Commodities

June 27

[illegible]

Source: Bourse du Commerce.

U.S. Treasuries

June 27

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	5.98	5.96	6.15	6.16
6-month bill	5.97	5.96	6.24	6.24
1-year bill	6.04	6.04	6.43	6.50
	Bid	**Offer**	**Yield**	**Prev. Yield**
30-yr. bond	99 20/32	99 22/32	7.28	7.34

Source: Salomon Brothers.

Merrill Lynch Treasury index: 152.34
Change for the day: +0.23
Average yield: 7.47 %
Source: Merrill Lynch.

Dividends

June 27

Company	Per	Amt	Pay	Rec
USUAL				
Binks Mfg	Q	.25	7-25	7-11
Dunkin' Donuts Inc	Q	.07	9-12	8-15
Fleming Cos	Q	.25	9-10	8-20
Montana Power	Q	.62	7-30	7-3
Pneumatic Scale	Q	.25	8-1	7-21
Strbridge & Clothier	Q	.21	8-1	7-7

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

Cash Prices

June 27

Commodity and Unit	Fri.	Year Ago
Coffee 4 Santos, lb	1.87	[illegible]
Printcloth 64/30 38 ½, yd	0.66	[illegible]
Steel billets (Pitt.), ton	473.00	[illegible]
Iron 2 Fdry. Phila., ton	213.00	[illegible]
Steel scrap No 1 hvy Pitt.	70-71	[illegible]
Lead Spot, lb	22-24	[illegible]
Copper elect., lb	68-69	[illegible]
Tin (Straits)*, lb	3.4443	[illegible]
Zinc, E. St. L. Basis, lb	0.41	[illegible]
Palladium, oz	112	[illegible]
Silver N.Y., oz	5.01	[illegible]

*: New York spot price.
Source: AP.

S&P 100 Index Options

June 27

[illegible]

Source: CBOE.

U.S. Investigates Loan To Texas Bank Officer

New York Times Service

NEW YORK — Federal ban[k] regulators have begun an examina[tion] to determine whether a loa[n] made by Interfirst Corp., the trou[bled] Texas bank holding compan[y] to one of its directors may hav[e] violated banking laws, according [to] a regulatory source.

There is no indication that th[e] $80-million loan, to Edwin L. C[ox] Jr., a Texas rancher and director [of] Interfirst's lead bank in Dallas, w[as] improper, the source said Thur[s]day. Federal regulations say that [a] director may not receive preferen[tial] treatment and that loans e[x]ceeding $500,000 must be approve[d] by a majority of a bank's boar[d] with the director borrowing th[e] money abstaining.

atistics Index

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Herald Tribune (INTERNATIONAL)

BUSINESS / FINANCE

.TURDAY-SUNDAY, JUNE 28-29, 1986 **

مكتب الأصل

U.S. Stocks Report, Page 10

ECONOMIC SCENE

:an Tax Reform Stimulate ι Sluggish U.S. Economy?

By LEONARD SILK
New York Times Service

NEW YORK — With the Senate's passage of a tax bill this week by a huge 97-3 majority, the United States is heading toward a thorough overhaul of its tax system. Optimism is high on Capitol Hill that, by early fall, ›ngress will present President Ronald Reagan with a bill that he ı sign.

What will the revision — which will cut personal and corporate :ome tax rates and eliminate many deductions, shelters and ıer tax benefits — mean for the U.S. economy?

That obviously depends on the specifics of the final bill. ›wever, since Mr. Reagan supports the Senate measure, the al bill is likely to resemble ıt version more than the ›use bill, implying sharper :s in both personal and cor- rate income tax rates, elimi- :ion of more personal de- :tions and tax breaks, and ; revenue-raising from busi- s.

Many blame the current tax system for sluggish growth in productivity in the last two decades.

The Senate bill would hold enues steady over the long ı, but would be "front-end loaded" to raise revenues in its first r. It would eliminate or limit many tax preferences starting ı. 1, 1987, but would not cut tax rates until July 1. Hence the › bracket for individual taypayers in 1987 would be 38.5 :cent for the year as a whole, with the 50-percent rate applying :he first six months and the 27-percent rate in the second. But loss of deductions would raise tax liabilities by $20 billion to ; billion next year.

;ome business critics maintain that this timing would hurt the ;nomy in 1987, and that changes in corporate taxes could ;ravate the effects even longer. Assuming that the investment ; credit would be repealed retroactive to January 1986 and that corporate and personal tax base would be expanded in ;uary 1987, with rates not coming down for another six nths, Data Resources Inc., the analytical and forecasting ;sidiary of McGraw-Hill, estimates that the Senate bill would ;n a $30-billion to $40-billion tax increase through 1987. This, s Data Resources, would "clearly weaken" the economy next ;r.

HOWEVER, the Senate bill would mean a net tax cut, and thus a stimulus to the economy, in 1988. A revenue gain in 1987 and revenue loss in 1988 would be consistent with historic political trend of restrictive fiscal policies in odd- nbered, nonelection years, and stimulative fiscal policies in n-numbered, election years.

After 1988, Data Resources estimates that the Senate tax ısure would continue to reduce taxes for several years. It ıgrees with calculations of the Joint Committee on Taxation ı the net effect of the Senate bill would be to raise revenues by billion in 1991, the last year of the Gramm-Rudman-Hollings ;h to a balanced budget. Because of the loss of investment :ntives to business, however, Data Resources estimates that Senate bill would lower national output by seven-tenths of a :entage point a year in the short run and by "a few tenths of a :entage point in the long run."

For the coming year, the bill apparently is seen as good news the securities markets. Henry Kaufman, vice chairman and :f economist of Salomon Brothers, estimates that it would ıce the federal budget deficit by $15 billion to $22 billion in .7 and hence would be "helpful to the fixed-income markets." ;thinks expectations for passage of the bill are contributing to :ent market optimism.

One of the toughest problems in predicting the bill's economic :cts is how much weight to give to the direct impact on after- income, and how much to the stimulus of a simplified tax :em on productivity resulting from more efficient investments more economic allocation of resources.

Economists are uncertain about why U.S. productivity has

See REFORM, Page 22

Panhandle Rumors Lift Stock

Mesa Associates Said to Plan Bid

Compiled by Our Staff From Dispatches

NEW YORK — Shares in Panhandle Eastern Corp. rose sharply on Friday for the third straight day amid rumors that Wagner & Brown, an independent Texas oil operator closely linked to T. Boone Pickens, might try to take over the big natural gas pipeline company.

Almost 5 million Panhandle shares traded hands Friday on the New York Stock Exchange, and the stock gained $4.25 a share, to $48.50. In the previous two days it jumped $4.50.

At Friday's prices, Panhandle's value exceeds $2 billion.

On the Philadelphia Stock Exchange, an option to buy 100 shares of Panhandle stock at $45 in July rose $156.25, to $225, in heavy trading Thursday.

Panhandle confirmed Friday that it had been approached by a suitor, but said it had rejected the offer.

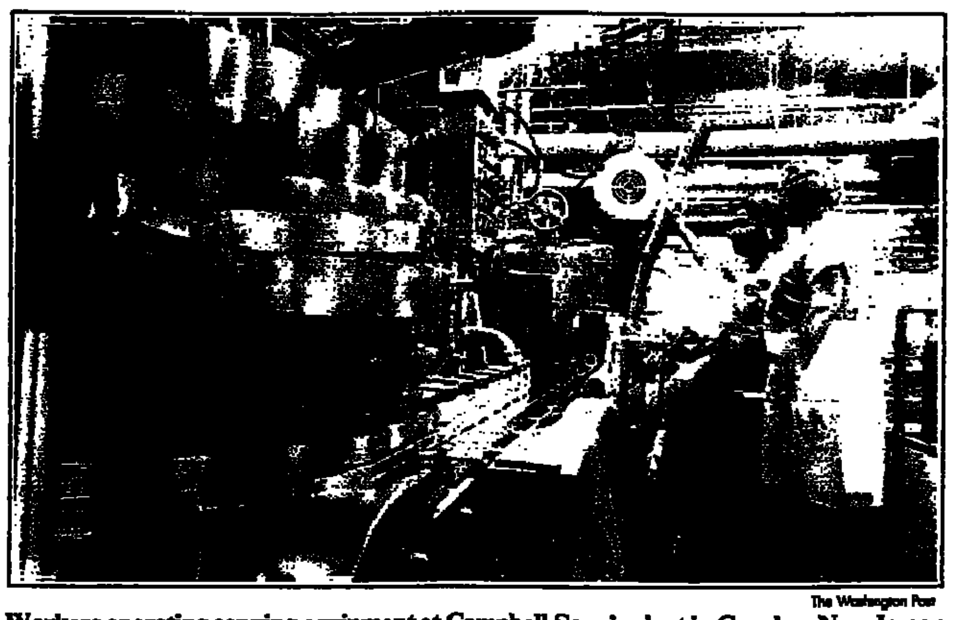
Mr. Pickens would not comment on the reports. Neither Cyril Wagner nor Jack E. Brown, the two principals in Wagner & Brown, could be reached for comment.

Panhandle owns Anadarko Petroleum Corp., which holds a major stake in the rich Hugoton gas field of southwestern Kansas. Hugoton, which extends into Texas and Oklahoma, is the biggest natural gas field in the United States, with reserves of 10 trillion cubic feet.

Mesa Limited Partnership, headed by Mr. Pickens, also owns a substantial interest in the field, and Pioneer Corp., which Mesa has just acquired, has gas production there.

Wall Street arbitragers, heavy recent buyers of Panhandle stock, said they had heard that Drexel Burnham Lambert Inc., which has worked closely with Wagner & Brown in previous takeovers, had relinquished its position on the Philadelphia exchange as specialist in Panhandle stock options.

Arbitragers said they also heard that Drexel had prohibited its traders from dealing in the stock. The moves are almost routine signs that an investment house is preparing for a major event. *(NYT, Reuters)*



The Washington Post

Workers operating canning equipment at Campbell Soup's plant in Camden, New Jersey.

Campbell: Beyond Chicken Gumbo

Canned Soup King Adds Products, Copies Japanese Ways

By Martha M. Hamilton
Washington Post Service

WASHINGTON — Campbell Soup Co., an All-American company if there ever was one, is trying to learn a lesson from the Japanese.

Since 1980, the Japanese share of the market for soups in the United States has grown from virtually nothing to 9 percent. Nissin Foods, maker of Oodles of Noodles, is the largest Japanese producer of soups for the U.S. market.

Despite that increase, Campbell still dominates the market in a fashion many companies would envy: It accounts for 62 percent of the U.S. market for all types of soup and 82 percent of the market for canned soups. But officials at Campbell say they would rather be vigilant than vulnerable.

"I think that people didn't worry enough when the Japanese companies started competing with the auto manufacturers and the steel mills," said R. Gordon McGovern, president and chief executive officer of the food company.

Campbell officials say that they believe that Japanese food manufacturers may be able to establish themselves in the United States with low-cost, high-quality products and then expand. "So, I'm worried," said Mr. McGovern. "Officially."

There are four Japanese-owned soup plants in the United States already and another plant is being built in California, according to Campbell officials. "They say they're making essences for the Japanese market," Mr. McGovern said. Essences are cubes of concentrated flavorings.

Campbell has committed itself to spend $1.2 billion between now and 1990 to restructure its 22 plants in an effort to keep ahead of competition. Campbell's plan? To adopt many of the approaches that have contributed to the efficiency and quality of manufacturing in Japan.

"We called this thing the 'total systems approach,' which I guess is gobbledygook to some people," Mr. McGovern said. "It's a way to collect all our efforts to make sure our food distribution is the best it can be."

That translates into a program with several facets. A major one is manufacturing products in smaller batches as they are ordered to eliminate costly inventories, both of raw materials and of the finished product. Mr. McGovern said Campbell expects to reduce inventory costs by $50 million this year and to use capital that has been tied up in inventory more productively.

The program also includes closer computer links with retailers, an attempt to develop closer relationships with suppliers to ensure the quality of the supplies Campbell receives and a reorganization of the sales force into 22 regional forces that sell all Campbell's products instead of just soups or frozen foods. Other major features are "quality circles," in which the workers who are closest to processing and other activities can devise ways to improve them, and statistical monitoring at every step of the manufacturing process.

Campbell has trained about 300 workers in statistics at the University of Tennessee, and it has handed out copy after copy of a book called "Japanese Manufacturing Techniques" to its employees.

"You've got to take about 10 years, because you're changing a culture," said Lewis W. Springer, senior vice president. He said it was essential to persuade workers that they will not suffer from change.

George Novello, industry analyst with E.F. Hutton, said that among U.S. companies, Campbell was one of the most active in copying Japan's successful manufacturing methods.

Leonard Teitlebaum of Merrill Lynch said Mr. McGovern "feels that there are different and better ways to run a manufacturing business than some of the traditional ways."

Mr. McGovern, who had run the company's

See SOUP, Page 21

U.S. Trade Gap Widened in May To $14.2 Billion

Compiled by Our Staff From Dispatches

WASHINGTON — A surge in imports drove the U.S. merchandise trade deficit to an estimated $14.2 billion in May, as U.S. farm trade slipped into the red for the first time in at least 20 years, the government said Friday.

The trade deficit was $12.1 billion in April.

Imports were valued at $31.64 billion last month, up from $30.04 billion in April, the Commerce Department reported. Manufactured imports rose from $23.11 billion to $23.93 billion.

Trade in agricultural goods, in which the United States traditionally has had a surplus, showed a deficit for the first time in 20 years, according to Census Bureau analysts. They said that it had probably been longer than that since there had been a farm-trade deficit but that records were incomplete.

The May deficit in agricultural trade was $348.7 million, compared with a surplus of $180 million in April, they said. The Commerce Department said agricultural imports totaled $2.2 billion in May and exports $1.9 billion.

In April, farm exports had totaled $2.1 billion and imports $1.9 billion.

The May deficit in farm trade was due largely to lower exports of wheat, soybeans and other major grains, commodities that in the past have been the mainstay of U.S. agricultural trade, the department said.

"This year has been particularly lousy for major grains," said Gerald F. Kotwas, an analyst for the Census Bureau. "Exports have crept down each month. Russia hasn't bought any wheat since before February and Brazil is growing its own, with a record high harvest."

The figures released Friday showed once again that the turnaround in the balance of trade, long awaited by economists and politicians, has yet to materialize despite lower oil prices and a weakening U.S. dollar.

The May figures showed the same pattern of shrinking exports and expanding imports that has prevailed for many months.

The deficit in manufactured goods expanded from $10.5 billion to $11.7 billion as exports slipped from $12.6 billion to $12.3 billion.

Petroleum imports, depressed in recent months by the collapse in oil prices, rose from $1.23 billion to $1.73 billion in May. The average price of a barrel of imported oil was $14.27.

The slack exports were particularly disappointing in view of the 30-percent decline in the value of the dollar since last fall. In theory, the low dollar should make U.S. exports more competitive, but the price advantage has yet to have a significant impact on the sale of U.S. goods in foreign ports.

The figures, compiled from customs and insurance information, are estimates based on data that lag behind the flow of trade by several weeks. They are subject to revision.

Analysts said that a sluggish world economy had much to do with the continued imbalance.

"There's nobody to sell to," said David Wyss, chief economist for Data Resources Inc. of Lexington, Massachusetts. "Our economy is doing better than the rest of the world."

Government and private analysts have predicted that the trade figures would begin to improve in the second half of the year.

The average monthly deficit for the first five months of this year was $13.95 billion, up from a $12.37-billion average in 1985, the analysts said.

The U.S. trade deficit was $148.48 billion last year, the highest on record.

But if 1986 ends the way it has begun, the trade deficit will reach a record $167.52 billion, the analysts said.

That would tend to confirm suspicions held by Reagan administration critics who charge that the current policy of open markets and free trade is bankrupt and insist on legislative remedies to the trade imbalance.

The deficit with Japan, which reached a record $5.52 billion in March, was $4.99 billion last month. With Western Europe, it was $2.69 billion, down from $2.73 billion in April. With Canada, it rose to $2.18 billion from $1.8 billion. *(UPI, AP)*

Currency Rates

ss Rates *June 27*

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
rdam	2.497	3.791	112.65 *	35.32 *	0.1639 *	—	5.512 *	137.205 *	150.65 y
els(a)	45.335	68.845	20.443	6.412	2.9765 *	18.15	—	24.93	27.375 *
fort	2.2164	3.369	—	31.355 *	1.455 x	88.78 *	4.894 *	121.94 *	1.3385 *
n (b)	1.5295	—	3.3698	10.785	2,315.50	3.7925	69.15	2.7658	253.85
	1,521.90	2,313.60	686.75	215.30	—	610.00	33.685	838.04	9.196
'ork(c)	—	0.6527 *	2.2015	7.82	1,512.00	2.48	44.995	1.8015	165.35
	7.069	10.739	3.189	—	4.6415 x	2.8314	15.60 *	3.8897	4.2655 *
	145.90	252.17	74.76	23.46	10.92 *	66.41	345.42 *	91.30	—
ı	1.81	2.7595	81.88 *	25.665 *	0.1192 *	72.65 *	4.0051 *	—	1.0922 *
ı	0.9701	0.6382	2.1478	6.8498	1,477.69	2.4192	43.9082	1.7631	160.841
	1.17133	0.77061	2.59614	8.28013	N.Q.	2.9248	53.1022	2.1295	194.207

:gs in London and Zurich, fixings in other European centers. New York rates at 4 P.M. :ommercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. :o buy one pound: $U.S.1.532

:er Dollar Values

ncy	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
. austral	0.85	Fin. markka	5.154	Mex. peso	580.00	Soviet ruble	0.7145
al. $	0.6666	Greek drac.	140.50	Norw. krone	7.5375	Span. peseta	142.20
. schil.	15.62	Hong Kong $	7.81	Phil. peso	20.25	Swed. krona	7.15
Bo. fr.	45.65	Indian rupee	12.59	Port. escudo	150.50	Taiwan $	38.10
l cruz.	13.77	Indo. rupiah	1,131.00	Saudi riyal	3.7515	Thai baht	26.305
dian $	1.3892	Irish £	0.7353	Sing. $	2.2035	Turkish lira	681.40
se yuan	3.2015	Israeli shek.	1.495	S. Afr. rand	2.5157	UAE dirham	3.6725
h krone	8.20	Kuwaiti dinar	0.2935	S. Kor. won	886.00	Venez. boliv.	17.20
. pound	1.36	Malay. ring.	2.6325				

ling: 1.1168 Irish £

:es: Banque du Benelux (Brussels); Banco Commerciale Italiana (Milan); Banque Na- :e de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirhom); ank (ruble). Other data from Reuters and AP.

Interest Rates

ocurrency Deposits *June 27*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
h	6 [illegible]-7 [illegible]	4 [illegible]-4 [illegible]	5⅞-6	9⅞-10	7 [illegible]-7 [illegible]	7 [illegible]-7 [illegible]	6 [illegible]
ths	6 [illegible]-7	4 [illegible]-4 [illegible]	5 [illegible]-5 [illegible]	9 [illegible]-9 [illegible]	7⅛-7¼	7 [illegible]-7 [illegible]	6 [illegible]
ths	6⅞-7	4½-4⅝	5⅜-5½	9¾-9⅞	7 [illegible]-7 [illegible]	7 [illegible]-7 [illegible]	6¼
ths	6 [illegible]-6 [illegible]	4 [illegible]-4 [illegible]	4⅞-5	9 [illegible]-9 [illegible]	7¼-7⅜	7 [illegible]-7 [illegible]	6¼
	6 [illegible]-7	4⅝-4¾	4 [illegible]-4 [illegible]	9 [illegible]-9⅝	7¼-7½	7¼-7⅜	6⅜

:s: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters :. Rates applicable to interbank deposits of $1 million minimum (or equivalent).

y Money Rates *June 27*

States	Close	Prev.
nt Rate	6½	6½
d Funds	6 15/16	6 13/16
Rate	8½	8½
Loan Rate	7¾	7¾
aper 30-179 days	6.42	6.45
h Treasury Bills	5.95	6.08
h Treasury Bills	5.59	6.06
-59 days	6.39	6.50
-89 days	6.36	6.45
ermany		
rd Rate	5.50	5.50
ght Rate	4.50	4.10
nth Interbank	4.55	4.55
h Interbank	4.60	4.60
h Interbank	4.65	4.65
ntion Rate	7	7
ney	7⅛	7⅛
nth Interbank	7⅛	7⅛
ı Interbank	7⅛	7⅛
ı Interbank	7⅛	7 3/16
use Rate	10	10
ıey	10⅝	9⅝
Treasury Bill	9 9/32	9 7/16
ı Interbank	9 13/32	9 7/16
d Rate	3½	3½
ıey	4 5/16	4 5/16
Interbank	4⅝	4⅝

:: Reuters, Commerzbank, Crédit :a, Bank of Tokyo.

Asian Dollar Deposits *June 27*

1 month	6 [illegible] - 7 [illegible]
2 months	6 [illegible] - 7 [illegible]
3 months	6⅞ - 7
6 months	6⅞ - 7
1 year	6 [illegible] - 7 [illegible]

Source: Reuters.

U.S. Money Market Funds *June 27*

Merrill Lynch Ready Assets
30 day average yield: 6.17

Telerate Interest Rate Index: 6.595

Source: Merrill Lynch, Telerate.

Gold

June 27

	A.M.	P.M.	Ch'ge
Hong Kong	344.80	343.85	— 0.20
Luxembourg	343.80	—	— 0.40
Paris (12.5 kilo)	344.61	344.29	— 0.23
Zurich	344.20	344.65	— 0.55
London	343.55	344.50	— 0.40
New York	—	345.00	+ 0.40

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.

Source: Reuters.

Unanimity Still Lacking For OPEC

By Bob Hagerty
International Herald Tribune

BRIONI, Yugoslavia — OPEC oil ministers, in the third day of desultory talks here, expressed hope for a compromise Friday but remained divided over how to deal with the plunge of oil prices.

Rilwanu Lukman, the Nigerian oil minister, who was elected president of the Organization of Petroleum Exporting Countries this week, said he hoped the quarrelsome cartel would reach an accord this weekend. But other delegates said privately that any agreement probably would not be unanimous.

The pace of discussions was leisurely as delegates sank into the torpor of this balmy resort island, to which OPEC was invited by the Yugoslav government. "Everything is relaxed to the point of coma," said a veteran OPEC watcher.

Most of OPEC's 13 members support, with more or less resignation, a proposal to set a range of about $17 to $20 a barrel as a goal for oil prices by year-end. Most oil is trading at $9 to $14 now.

Last March, OPEC agreed on a goal of $28, but Saudi Arabia, by far the group's most powerful producer, insists that such a level could be regained only in the long term. The Saudis, who own about a quarter of the world's oil reserves, are eager to keep oil competitive with other fuels and have long favored moderation in pricing.

Poorer OPEC members, suffering acutely from the 50-percent drop in prices since November, yearn for a faster rebound but have little influence on the market. Most of these countries seem resigned to accepting the Saudi line.

An angry minority composed of Iran, Algeria and Libya has denounced the Saudi line and pressed for a more aggressive effort to push prices higher.

Iran's minister, Gholamreza Aghazadeh, during a stroll down one of Brioni's shady paths Friday afternoon, again dismissed the target of $17 to $20 as too low and said OPEC should chop its total output to about 14.5 million barrels a day from 18 million or so.

Most OPEC countries are suggesting an output of 17 million to 18 million barrels in the fourth quarter, arguing that a lower limit is not achievable.

Even if OPEC settles on a ceiling, it would still face the vexing task of trying to assign quotas to members. That effort is particularly delicate because Iran and Iraq, locked in a six-year war, oppose any rise in the other's output.

Japanese Exports to EC Soar as U.S. Sales Dry Up

Compiled by Our Staff From Dispatches

TOKYO — Japanese exports to Europe have surged dramatically this year as the strong yen has made U.S. markets less accessible, a European Community official said Friday. He called the news "a very worrying new trend."

Laurens Jan Brinkhorst, the EC representative in Tokyo, said that the volume of Japanese exports to the community soared by 27.9 percent in the first five months of this year compared with the corresponding period in 1985, while exports to the United States increased by only 3 percent.

The value of the exports to the EC, calculated in dollars, increased 53 percent, to $11.9 billion.

Mr. Brinkhorst conceded that reasonably healthy economic growth among the 12 EC members had boosted consumer demand.

"But our deeper conclusion is that we are facing an important trade diversion of exports from the United States to the EC," he said.

He attributed the shift to the fact that the yen had appreciated by more than 40 percent against the dollar, but less than 15 percent against the European currency unit.

In recent years, Japan-EC trade has deteriorated steadily but it remained "relatively under control," Mr. Brinkhorst said. Now there has been "a major change of orientation," he added.

EC officials in Tokyo calculated that Japan had cut the yen prices of exports to Europe by an average of 15 percent to boost sales.

The value of EC exports to Japan rose 33.4 percent in the first five months, but totaled only $4.92 billion. Furthermore, EC officials said, that figure was inflated by sale of gold for medals commemorating the 60th anniversary of Emperor Hirohito's reign.

The EC deficit was thus $6.97 billion for the period, compared with a $4.07-billion deficit in the corresponding period last year.

According to Japanese Finance Ministry figures — contested by Brussels — the community had an $11.12-billion trade deficit with Japan in 1985, against $10.07 billion in 1984.

In April, the volume of Japanese exports to the EC increased 47.6 percent for office machinery, 67.3 percent for metal-working machinery and 67.6 percent for telecommunication equipment. The value of car exports soared by 120 percent, though volume rose only 4.7 percent.

The figures proved that, for the Japanese, it has become "much more profitable to sell to the other major market" outside the United States, Mr. Brinkhorst said.

Japan has only three major markets developed enough to pick up quickly the overflow from the U.S. market — the EC, China and Southeast Asia.

Beijing has told Tokyo that it will not allow even the current level of Japanese imports to continue, and the bureaucracy is cutting imports of Japanese cars and televisions. Japan's exports to China in May fell 32 percent from a year earlier to $738.96 million.

Southeast Asian nations have also issued a stern warning to Japan about increasing exports.

Mr. Brinkhorst said the trade issue would be taken up at high-level Japan-EC talks in Brussels set for July 7-9.

Referring to the upcoming negotiations under the General Agreement on Tariffs and Trade, he said that with the Japanese figures, "the climate of the new round is not becoming easier."

He warned that current trends would bolster the forces in Europe who hold that "enough is enough." *(AFP, Reuters)*

Japan Inflation Edged Up to 1.1% in May

Reuters

TOKYO — Inflation in Japan, as measured by the unadjusted consumer price index, rose to an annual rate of 1.1 percent in May from a rate of 0.9 percent in April, the government reported Friday.

The Management and Coordination Agency said the index, whose base year is 1980, rose 0.7 percent in May, to 115.8 from April, when it had risen 0.3 percent from March. The May index was 1.1 percent ahead of May 1985.

Separately, the agency reported that Japan's seasonally adjusted unemployment rate fell to 2.7 percent in May from 2.9 percent in April but was up from 2.5 percent in May 1985.

The 2.9-percent rate in April had matched the level of December 1985, which was the highest since the government started compiling unemployment statistics in January 1953.

The May figure remained relatively high because export-linked companies faced difficulties due to the yen's appreciation against the dollar, an agency official said.

European Airline Body Adopts Voluntary Reforms

By Axel Krause
International Herald Tribune

PARIS — In a move to boost airline deregulation in Western Europe, the European Civil Aviation Conference urged its 22 members on Friday to introduce more flexible rules on fares and capacity for a three-year experimental period starting in January.

The accord, which is voluntary, was adopted at the end of a three-day meeting in Paris of ECAC's members, comprising government civil aviation officials. The plan would give airlines the right to offer discount fares as low as 45 percent of standard economy fares, subject to unspecified conditions.

The members also agreed to let airlines add capacity to increase their market share to 55 percent on any route from the current 50 percent without government approval.

ECAC said the agreement is meant to "allow airlines more commercial freedom to offer the tariffs and capacity they consider best adopted to their markets."

While it would have little effect on routes such as London-Paris, where substantial discounting already exists, it could have considerable impact on other routes.

But the agreement drew mixed reactions from delegates, industry groups and the European Community Commission.

"The plan creates new pressure for deregulation, but it will be up to the politicians to decide how far the movement goes from here," said Kees Veenstra of the Brussels-based Association of European Airlines, which comprises 20 carriers.

Delegates from Britain and the Netherlands challenged the plan as inadequate, noting that British and Dutch airlines already offer discounts at least as attractive as those proposed. Ireland criticized the plan as too restrictive.

Far more sweeping reform proposals will be discussed by EC transport ministers in Luxembourg on Monday, commission sources said in Brussels. That plan would expand discounting, allow substantial expansion of capacity and new routes, and permit antitrust action against violators.

EC ministers failed last week to agree on an approach and adjourned in disarray. In that session, striking differences surfaced between Peter Sutherland, the commissioner for competition, and Stanley Clinton Davis, the commissioner for transport policy.

"There was disappointment at the last meeting, but the differences in approach have been eased, and there could be progress on Monday," a commission official said.

Industry sources said they were encouraged by recent French promises to support liberalizing air transport in Western Europe. Transport Minister Jacques Douffiagues said that Paris was prepared to give greater freedom to airlines to set prices.

EC and U.S. Said to Reach Agreement on Steel Products

The Associated Press

BRUSSELS — The European Community and the United States, which are trying to avert a farm-trade conflict, have reached an agreement in principle to resolve their steel dispute, an EC source said Friday.

The dispute resulted from a U.S. decision in 1985 to limit imports of European steel products.

The source, who declined to be identified, said that under the agreement the EC would be able to export a total of 800,000 short tons (720,000 metric tons) of semifinished steel products to the United States this year. The United States had limited these exports to 600,000 tons last year.

According to the draft agreement, European exports would rise to 870,000 tons by 1989.

The figures include 200,000 tons exported by British Steel Corp. to its U.S. subsidiary under a special arrangement.

In return, the EC has agreed to abandon its curbs on imports of fertilizer, animal fat and certain specialty paper from the United States, the source said.

The agreement must be approved by the EC member states and the Reagan administration. The source said EC ambassadors here would examine the agreement on Monday.

The United States and the community are also trying to resolve a farm-trade dispute before June 30. It erupted after Spain and Portugal joined the EC in January.

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Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
A										
6¾	2⅝	ADI				207	2¾	2½	2⅝	
34¾	12¾	AL Labs	.18	.8	25	102	23½	23	23¼	+ ⅛
16½	10¼	AMCs	.10	.7	27	1	13⅞	13⅞	13⅞	− ¼
8⅝	3¼	AM Intl			12	2680	7⅝	7½	7½	− ⅛
30¼	25⅝	AM Int pf	2.00	7.2		146	28½	27⅝	27⅝	− ⅜
4	2⅜	AOI n			16	16	3⅛	3⅛	3⅛	− ⅛
115½	78	ATT Fd	5.61e	4.9		36	115¾	114⅝	115	+ ⅝
6⅝	2⅞	AcmePr				2	5¼	5¼	5¼	
12½	9½	AcmeU	.32	3.0	33	2	10½	10½	10½	
15⅝	10¼	Action			16	34	13¾	13⅝	13⅝	− ⅛
3¼	1⅛	Acton				106	2⅛	2	2	
4¾	1⅞	AdmRs				4	2	2	2	
42½	23⅝	AdRusl	.16b	.4	27	666	41⅞	40¾	41⅞	+1⅛
6½	3⅛	Aeronc				161	6	5⅞	5⅞	
57	28¾	AlIPb s	.44	.8	33	82	57¼	56⅝	57¼	+ ⅜
12	5⅛	AirExp				60	9⅝	9⅜	9½	− ⅛
12	7⅛	AirCal				13	8½	8½	8½	
13¾	10	ArCal pf	1.20	10.4		47	11½	11⅜	11½	+ ¼
1⅞	¼	Alamco			7	1	⅞	⅞	⅞	+ ⅛
9⅝	5⅝	AlbaW				32	8⅝	8½	8⅝	− ⅛
40	8⅛	Alfin s			29	153	22⅞	22⅛	22⅛	− ⅜
2⅝	1⅞	AlnTre				1	2⅛	2⅛	2⅛	+ ⅛
27	6⅞	Aloha			15	4	20	20	20	
13½	8	Alphaln				48	10⅛	10	10⅛	
11¾	3⅛	AlpinGr			27	34	9½	9⅛	9⅛	− ⅛
⅞	¼	Altex n				10	⅜	⅜	⅜	
44¼	32½	Alcoa pf	3.75	9.2		500z	40¾	40½	40¾	+ ¼
50⅞	20¼	AlzaCp			62	693	50	49⅝	49⅞	− ½
25¾	22⅞	Alza wt				80	25⅝	25	25	− ⅝
5⅝	2	AmBrit	.08	1.6		33	4⅞	4¾	4⅞	+ ⅛
18½	10⅛	Amdahl	.20	1.1	31	497	17⅞	17¼	17½	+ ¼
15⅝	5⅜	Amedco	.08	.6		171	14¾	14½	14½	
14⅝	9¾	AmBilt	.15	1.0	9	1	14⅝	14⅝	14⅝	
17	13½	AmCbl n				256	15¼	14⅞	15¼	+ ⅜
8⅝	5⅜	AmCap			19	97	7⅝	7⅝	7⅝	
65¼	44	AContrl	1.20	1.9	14	1	64½	64½	64½	− ½
5½	3⅝	AExFF wt				342	4⅝	4½	4½	− ⅛
14¼	4½	AFruc A				85	15	14¼	14½	+ ⅜
14¼	4¼	AFruc B				83	14¾	14⅝	14⅝	− ⅛
9¾	3⅝	AHlthM			10	366	5⅛	5	5	− ⅛

AMEX Highs-Lows

NEW HIGHS 40

AtlPubl s, AllonTire, AmFruct A, AmFruct B, AmMaize B, AmTrEx un, Andal, Artev, BolarPhrm s, CondoaWine, CenturvBus, ComtedSv, CetrFact, EasternCo, Elsworth n, Frolnd s, Fabindust, GouldLP n, HUBCO, Hormel s, Intl Bnknot, IntlBknt wt, JumpJack, LibertyFin, NewbryCp, Noel Indust, NestnMig, OhioArt Co, Oila Ind, PouleyPtr, PhilLD Dis, RestAsst, SCE orp pfA, Std Shares, TransTech, TrignoCo, Verit Ind, WIRET, Woodstream, WarHanB

NEW LOWS 9

CtrlFdCda n, Ducommun, FtAustPr n, GrangeExp, HlthMgt n, PerrilCp, Servotron, UnivResrc, WangLabC

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Floating-Rate Notes

June 27

Dollars

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 27 June 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

AL MAL MANAGEMENT
-(w) Al-Mal Trust, S.A. $ 234.48
BANK JULIUS BAER & CO. Ltd.
-(d) Baerbond SF 938.70
-(d) Conbar SF 1496.00
-(d) Equibaer America $ 1361.00
-(d) Equibaer Europe SF 1583.00
-(d) Equibaer Pacific SF 1361.00
-(d) Grobar SF 1201.00
-(d) Stockbar SF 1883.00
BAII MULTICURRENCY
-(r) Multicurrency US$ $ 1081.11
-(r) Multicurrency Ecu ECU 1053.58
-(r) Multicurrency Yen YEN 195,415.00
BNP INTERFUNDS
-(w) Interbond Fund $ 153.51
-(w) Intercurrency US$ $ 10.62
-(w) Intercurrency DM DM 30.84
-(w) Intercurrency Sterling £ 10.58
-(w) Interequity Pacific Offer $ 16.14
-(w) Interequity N. Amer. Offer $ 12.08
BANQUE INDOSUEZ
-(d) Asian Growth Fund $ 16.45
-(w) Diverbond SF 87.05
-(w) FIF-America $ 20.84
-(w) FIF-Europe $ 22.61
-(w) FIF-International $ 14.91
-(w) FIF-Pacific $ 28.19
-(w) Indosuez Multibonds A $ 126.01
-(w) Indosuez Multibonds B $ 220.12
-(d) Indosuez USD (M.M.F) $ 1078.03
BRITANNIA, POB 271, St. Helier, Jersey
-(w) Brit.Dollar Income $ 0.899
-(w) Brit.$ Manag.Curr. $ 11.75
-(d) Brit. Intl.$ Manag.Portf. $ 1.500
-(d) Brit. Intl.£ Manag.Portf. £ 147.8
-(w) Brit. Am. Inc. & Fd Ltd. $ 1.291
-(w) Brit.Gold Fund $ 0.642
-(w) Brit.Manag.Currency £ 15.91
-(d) Brit. Japan Dir Perf. Fd. $ 2.247
-(w) Brit.Jersey Gilt Fund £ 0.231
-(d) Brit. Okasan Glob.$ $ 11.37
-(d) Brit. World Leis. Fund $ 1.630
-(d) Brit. World Techn. Fund $ 0.982
BROADGATE INTERNATIONAL FUND
-(d) $ Money Market $ 10.43
-(d) Non-$ Money Market DM 26.33
-(w) $ Bond $ 10.88
-(w) Non-$ Bond DM 27.53
-(w) Global Equity $ 12.39
-(w) Global Bond $ 9.83
-(w) Global Bond & Equity $ 9.97
CAPITAL INTERNATIONAL
-(w) Capital Int'l Fund $ 58.44
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-(d) Actions Suisses SF 501.00
-(d) Bond Valor Swf SF 107.95
-(d) Bond Valor D-mark DM 112.18
-(d) Bond Valor US-DOLLAR $ 124.96
-(d) Bond Valor £ Sterling £ 108.45
-(d) Bond Valor Yen Yen 10,803.00
-(d) Convert Valor Swf SF 140.60
-(d) Convert Valor US-DOLLAR $ 153.11
-(d) Canasec SF 638.00
-(d) CS Fonds-Bonds SF 79.25
-(d) CS Fonds-Int'l SF 129.00
-(d) CS Gold Valor $ 95.05
-(d) CS Money Market Fund $ 1149.13
-(d) CS Money Market Fund DM 1087.66
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-(d) CS Money Market Fd Yen Y 103311.00
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BUSINESS ROUNDUP

Lloyds Sweetens Bid For Standard Chartered

Reuters

LONDON — Lloyds Bank PLC d Friday that it was raising its lier offer for Standard Chared PLC to 819 pence a share, for otal value of £1.28 billion (about 92 billion).

Lloyd's previous offer, made in ril, was £1.2 billion, or 750 ce a share.

Standard Chartered immediately cted the new offer, as it had the lier one. A spokesman said that bank would continue to rebuff yds and that there was no nce the board would recommd it to shareholders.

Lloyds, now Britain's fourthest check-clearing bank, would ome the largest, with assets of billion, if its takeover succeeds. n Pitman, Lloyds's chief execu-, said the acquisition would e it one of the world's strongest l most profitable groups, ipped to take on the largest inational banks.

Although it has branches in 47 ntries, Lloyds derives most of profits from domestic British rations and is attracted by Stand's overseas network in 60 ntries. But some analysts have stioned whether Lloyds should ome embroiled in South Africa, where Standard has loans outstanding of £830 million.

Lloyds said Friday that the increased basic offer would be made on the basis of 43 new Lloyds 7-percent convertible preference shares, plus £38 cash, for every 10 Standard shares.

An alternative offer, with a total value of £1.28 billion, is made on the basis of 43 of the preference shares, plus 5 new Lloyds ordinary shares and £20 cash for every 10 Standard shares.

Standard Chartered shares rose after the announcement of the sweetened offer to 794 pence, up 5 pence from Thursday's close of 789 pence. Lloyds shares closed at 389 pence, up 22 pence from 367 pence on Thursday.

Lloyds forecast Friday that pretax profit for the six months ending June 30 would be £333 million, compared with £264 million.

The predicted results reflected the policy of emphasizing profitability, rather than balance sheet expansion, Lloyds said. Share earnings would rise 48 percent to 40 pence from 27 pence in first half 1985, and after-tax profits would be 51 percent higher at £213 million.

Average total assets were unchanged at £44.1 billion.

COMPANY NOTES

hina Airlines, Taiwan's govern-t-owned carrier, will sell two ing 767 passenger planes to cut s. China Airlines has debts of 7 billion and assets of $1.24 ion. A spokesman said the ings were not economical to ope because they had fewer seats other planes in the fleet.

rédit Suisse is merging its West man units into Schweizerische ditanstalt (Deutschland) AG, ctive July 1. The new bank prises CSFB-Effectenbank AG Schweizerische Kreditanstalt tschland GmbH.

r Pepper Co. will join Coca- Co. in contesting the Federal de Commission's decision king Coke's proposed $470-on purchase of Dr Pepper. A ral judge extended an order ing Coke from proceeding and trial date of Aug. 25 in that , in which Royal Crown Cola hopes to prevent the merger.

ka AG, a chemical fiber subry of Akzo NV of the Nethers, said consolidated group rev- for the first five months of rose 2 percent, to 2.1 billion tsche marks ($955 million).

PTN, Indonesia's government raft manufacturer, has received approval from Boeing Co. to produce and assemble parts and components for its planes. Work placed with IPTN may include machine parts or structural assemblies.

Reliance Industries, an Indian petrochemical and textile company, plans to spend about 20 billion rupees ($1.6 billion) on expansion in the next three years, according to its chairman, Dhirubhai Ambani.

Tata Iron & Steel Co. of India plans to invest up to 25 billion rupees ($2 billion) in the next five years to raise its production capacity to 3 million metric tons (3.3 million short tons) a year from 1.74 million metric tons.

Telefon AB L.M. Ericsson of Sweden said it had won a contract from Southwestern Bell Telephone Co. for extensive customer trials with an Ericsson digital exchange for use in an integrated services digital network. The network carries different services, such as voice and data, on the same line.

VDO Adolf Schindling AG, a West German vehicle instrument manufacturer, will found a joint-venture company with Yazaki Corp. of Japan. VDO said it would hold a 40-percent stake in the new company, Y & V Co., and Yazaki would hold 60 percent.

French Shipyard Workers To Get Money or Retraining

Reuters

PARIS — French shipyard workers who stand to lose their jobs because of cuts in government subsidies to the shipbuilding industry will be offered at least 200,000 francs (about $28,250) in compensation or two years of retraining, the industry minister, Alain Madelin, said Friday.

His announcement came after strong protests by workers at three yards owned by Chantiers du Nord et de la Méditerranée, one of the country's two main shipbuilders. Normed has begun bankruptcy proceedings because of the new policy, and has said it cannot pay employees or creditors.

Mr. Madelin said the government would also create so-called "enterprise zones" to lure industry to the affected regions by offering the highest tax incentives ever seen in France.

The yards, at Dunkerque on the Strait of Dover and La Seyne and La Ciotat on the Mediterranean, are a century old. Their closure would throw 7,000 people out of work in areas already struggling with economic problems.

Shipyard workers protested Tuesday by ripping up railway lines, blocking traffic and occupying town halls in southern France.

A Paris commercial court will rule Monday on whether to appoint a receiver for Normed or to liquidate the company.

Money-Laundering Charges Brought Against Shearson

New York Times Service

PHILADELPHIA — Shearson Lehman Brothers Inc. and the former manager of its Philadelphia office have been indicted on charges of laundering at least $1.2 million for an organized-crime gambling syndicate.

The indictment, which was announced Thursday by federal and city prosecutors, also charged the former manager and six other Philadelphia men with conspiracy and the operation of an illegal sports-gambling enterprise. One of the men is the son-in-law of Frank Rizzo, the former mayor.

Prosecutors said it was the first indictment of a brokerage house on charges of failing to report cash transactions of more than $10,000, as required by the federal Bank Secrecy Act. The act is designed to uncover the financial activities of criminals.

The indictment charged that the office manager, Herbert L. Cantley, operated "with the knowledge and consent of Shearson managers and employees."

Shearson, which was known as Shearson/American Express at the time of the purported offenses, denied the charges. Shearson said it objected to what it called "an unfortunate abuse of prosecutorial discretion." The firm said it was not responsible for the "alleged unauthorized criminal actions of a single employee."

Shearson and Mr. Cantley were both indicted on two counts of conspiracy, 36 counts of failure to file currency transaction reports and three counts of concealment of material facts. If convicted on all counts, the financial company could be fined $16.5 million.

Mr. Cantley was also charged with "aiding and abetting" illegal gambling. Shearson had dismissed him shortly after a police raid on the firm's Philadelphia offices in April 1985 implicated him in money laundering and bookmaking.

Prosecutors said that between September 1982 and July 1985, Shearson and Mr. Cantley laundered profits from a ring running a $1-million-a-week interstate bookmaking syndicate.

Thames Offering Oversubscribed

The Associated Press

LONDON — A stock offering for Thames Television, a London-based television company that is part of Britain's Independent Television network, has been heavily oversubscribed, County Bank announced.

The merchant bank said Thursday night that the sale of a block of more than £32 million ($48.7 million) worth of stock attracted £873 million from investors. Investors were given the chance to subscribe for just over 17 million of Thames' shares at a price of 190 pence each. The figures from County Bank showed applications were made for more than 459 million shares.

Dealing starts Wednesday. Brokers were already talking in terms of a possible premium of as much as 30 pence over the offer price.

Loral Bids for Sanders Associates

Compiled by Our Staff From Dispatches

NEW YORK — Loral Corp. offered Friday to acquire Sanders Associates Inc., a major rival in the military electronics field, for $44 a share in cash and stock, or an indicated $863 million. Sanders quickly dismissed the bid as "inadequate."

Investors bet heavily, however, that Loral would have to increase its bid substantially or that another suitor would emerge.

Sanders was the most active issue on the New York Stock Exchange, with 6 million shares traded. Its price shot up $15.75 a share to $50.50, while Loral shares gained 67.5 cents to $43.25.

A successful offer would put Loral back in the running for one of the major electronic warfare contracts of the 1990s, Wall Street analysts said Friday.

On Wednesday, the Pentagon eliminated Loral and two other corporate teams from competition for the integrated electronic warfare system contract. Sanders is now vying for the contract with one other company.

Analysts noted that Sanders's 19.6 million shares outstanding are heavily owned by institutional investors, who are generally inclined to sell to acquirers.

Anyone who bought Sanders stock for more than $60 a share a few years ago is probably waiting to see how high the bidding will go, the analysts said. But they said a merger is by no means certain.

Sanders's chairman and chief executive, Jack L. Bowers, said Friday that the proposal is "inadequate and does not reflect fair value for Sanders."

Loral's chairman and chief executive, Bernard Schwartz, hinted in a letter to Mr. Bower that he was prepared to mount a hostile bid.

Sanders would have no trouble finding a "white knight" as an alternative to Loral, analysts said. Aerospace and auto companies are looking for footholds in the defense-electronics industry.

Loral said its offer would consist of about half cash and half Loral "equity securities," that is, some type of stock.

Loral, based in New York, makes electronic gear for military aircraft as well as aerospace components and telecommunications equipment. It had a profit of $52.9 million, or $2.21 a share, on revenue of $663.8 million in its fiscal year ended March 31.

Sanders, with headquarters in Nashua, New Hampshire, makes advanced electronic systems for defense and oceanography. It also has a unit that makes equipment for computer-aided design. It earned $37.1 million, or $1.92 a share, on revenue of $885.8 million in its fiscal year ended July 31, 1985.

(Reuters, AP)

U.S. Will Approve GTE-United Pact

The Associated Press

WASHINGTON — The U.S. Justice Department said Friday that it will approve a proposed merger of the long-distance telephone operations and data-communications services of GTE Corp. and United Telecommunications.

Approval comes five months after GTE and United Telecommunications announced that they had agreed to form a partnership called US Sprint. The venture consists of their long-distance telephone units, GTE Sprint and US Telecom, and their data communications subsidiaries, GTE Telenet and US Telecom Data Communications Co.

The Justice Department's consideration of the proposal is required under a 1984 court order.

Hyundai Claims First-Year Sales Record for U.S.

The Associated Press

DETROIT — The South Korean automaker, Hyundai Motor Co., said Friday that it has broken the U.S. sales record for a first-year importer.

Hyundai said that it sold 48,531 subcompact Excel cars from the model's introduction in February through Thursday, and said that it was certain to surpass its 1986 sales target of 100,000.

Hyundai said the old record of 48,148 was established in 1958 by the French car maker, Renault.

In contrast, Hyundai said, Volkswagen AG sold only two Beetles in 1949, its first year in the United States.

Among the Japanese importers, the best first-year sales record goes to Mitsubishi Motors Corp., which sold 32,755 models under its nameplate in 1983. The fast start comes despite a recall in March on the first 4,000 Excels sold here because of brake problems.

SOUP: *Campbell Responds to Japan*

(Continued from first finance page)

Pepperidge Farm subsidiary and who took over as president in 1980, is credited by industry observers with taking Campbell in a more consumer-driven marketing direction that has resulted in a proliferation of new products and an emphasis on freshness.

"We're pushing hard on refrigerated and fresh products, which is where we think the market is going," Mr. McGovern said.

In addition to soup, Campbell makes Pepperidge Farm products, Vlasic pickles, Mrs. Paul's frozen seafood, V-8, Prego spaghetti sauces, Swanson products, Le Menu frozen dinners and Godiva chocolates. It also sells fresh mushrooms and hydroponically grown tomatoes and avocados with the Campbell label on them.

Among the company's new products are Le Orient, a line of frozen dinners; Fresh Chef sauces and salads sold from the refrigerated shelves of groceries, and a growing line of newly packaged soups.

"We introduced dry soups last fall and have about 20 percent of the dry soup market," Mr. McGovern said. "We've leased a ramen noodle factory in Ohio. We have microwaveable soups, frozen soups, soups in glass jars, low-sodium soups. We're going to catch you every way we can."

Mr. Novello of E.F. Hutton remarked, "I think what they're saying is that soup in any form is their bailiwick, and they don't want it taken away from them."

Soup accounts for more than one-third of the company's total earnings, he noted, adding that Campbell wanted to use the soup business as a lever for expansion.

In March, Campbell reported net income of $175.48 million for the first nine months of its current financial year, up 10.8 percent from $158.43 million for the year-earlier period.

"If we're the best there is in soup," Mr. McGovern said, "then we can broaden our soup base." He said that would allow Campbell to keep up with the superpowers in food processing created by mergers such as that between R.J. Reynolds Industries Inc. and Nabisco Brands Inc.

The nature of the ownership of Campbell's stock protects it from being the target of an acquisition, Mr. McGovern said. About 60 percent of the stock is in the hands of the Dorrance family, heirs to John T. Dorrance, who originated the canned, condensed soups that made the company famous, but takeover speculation appears to account for higher prices for the stock in recent months.

Campbell shares closed Friday on the New York Stock Exchange at $61.875, up 25 cents. Three months ago, the stock was trading in the mid-50s.

Moving into the dry-soup business may allow Campbell to expand in worldwide markets, where it accounts for about 30 percent of the sales. "We tried to take wet soup [canned soup] to the rest of the world and discovered that it was really the specialty end of the business," Mr. McGovern said.

Other products are aimed at capturing consumers who seldom sit down for family meals but who eat "hand-held" foods.

The biggest evangelist for change within the company has been Mr. Springer, the senior vice president.

He is a former manager of the company's oldest facility, its 97-year-old plant in Camden, New Jersey, which the company is spending $37 million to upgrade.

The emphasis Mr. Springer seeks to introduce is on statistical control of quality throughout production, in contrast to the traditional American method of checking quality at the end of the manufacturing process.

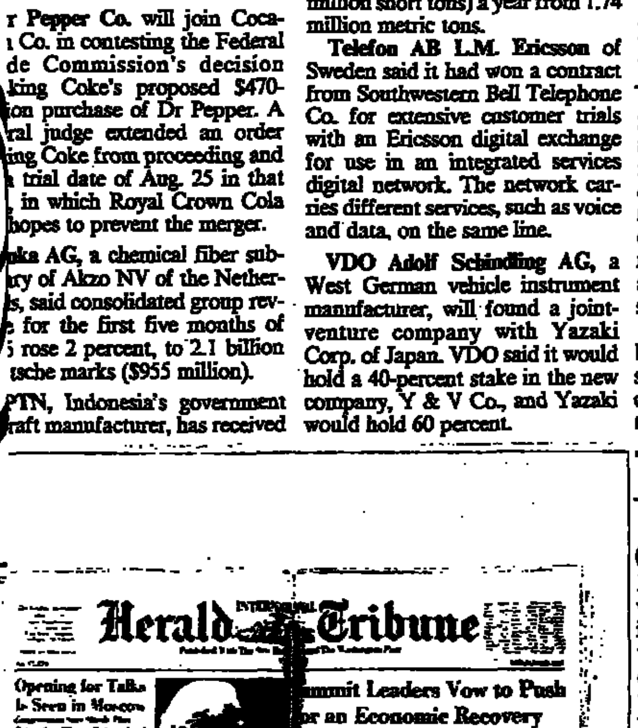
Some of the changes are under way at the Camden plant, where one of two warehouses is being eliminated. "What we would like to do is, if you get an order for one case, you produce one case," said David Winkler, the plant manager. "What we have done in the past is to produce for the sake of production, to keep everyone busy." That kept the two warehouses full.

The plant is being upgraded, despite its age, because of its location. "From a construction point of view, it's expensive," Mr. Springer said. But now that Campbell is adopting manufacturing-to-order, he said, it is important that "probably 29 percent of the people in the U.S. live within 200 miles [325 kilometers] of that plant."

Workers in the Camden plant and others participate in quality circles and task forces to devise ways of improving production. One task force is trying to determine what percentage of cans arrives on supermarket shelves damaged and how it happens.

"We've inspected the process here and gotten a number of damaged cans that were going through our system and were not caught," said Dennis Wrigley, a forklift operator at the plant who is a member of the task force. "Then we went out to the stores to see the level of damage, which is more. We're backtracking now" to determine where the additional damage occurs, he said.

Campbell's transformation should result in both fresher products and substantial savings, according to company officials. "What we're trying to do is reduce the cycle time" between the arrival of raw ingredients and when the soup or other food product reaches the store, Mr. Springer said. About two years ago, the cycle time for soup was about six weeks, according to Mr. Springer. That time has been reduced to about two weeks.



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BUSINESS PROFILE / Jan Breivik, Entrepreneur-Banker

More Than Luck Is Shaping Norway's New Bank

By Juris Kaza
International Herald Tribune

OSLO — Jan Breivik broke his back with his brand new Norwegian bank.

Literally. The 39-year-old skiing enthusiast and president of the Bank of Oslo is recovering from a broken back suffered while cross-country skiing on a bank outing early this spring.

Quite a few Norwegian bankers would say that is a sign that Mr. Breivik's good luck extends beyond banking. They call Jan Breivik lucky, admit that he is good, then grumble that he knocks the establishment too hard. That sums up the mixed feelings aroused by Norway's first entrepreneur-banker in about 50 years.

The record of Bank of Oslo, or Oslobanken in Norwegian, is quite impressive for a two-year-old. The 1986 earnings forecast was raised to 75 million kroner ($9.9 million) from 52 million kroner after operating earnings in the first four months totaled 25.38 million kroner, compared with 36.9 million kroner in all of 1985.

Abroad, Bank of Oslo established Oslo Partners Ltd. in London, for which it is seeking full bank status within two to four years. It recently appointed a representative in Seattle.

Mr. Breivik says it is more than luck that made the Bank of Oslo Norway's second most profitable bank in 1985.

"Banks in Norway still look at themselves as institutions, not businesses with profit as a goal," he said. "We have specialized in two niches: private banking, where we are going for the high net worth individual both on the deposit and loan side, and business, where we are mostly going after medium-sized, highly profitable companies."

Based on the "bread-and-butter business" of deposit taking and lending to upscale private and commercial customers, Mr. Breivik hopes to widen the bank's profitable merchant banking and "dealmaking" activities in Norway and abroad.

Mr. Breivik spoke as if he were an experienced banking strategist. In the same breath, however, he conceded that less than 10 years ago, he had never held a "real" job and had little interest in banking.

"I was 30 years old when I started real work. It was a culture shock, because nothing fit into what I had learned," Mr. Breivik recalled of his transition from the life of a student and teaching assistant.

Mr. Breivik received an undergraduate degree from the Norwegian Business Administration Institute in Oslo and a combined master of science and master of business administration degree in 1977 from the University of Wisconsin.

The culture shock of working for a large Norwegian bank wasn't so much the switch from academia to business as the discovery that banking didn't seem to follow the principles Mr. Breivik had learned and that he had felt as a strong personal motivation since childhood.

The Associated Press
Jan Breivik

"Business was something I could identify with. I was a dealmaker. I like to make deals all the time," he said. "It started when I was young and sold lottery tickets for a Norwegian women's charity. I got a medal for selling the most. I was 11 years old, the youngest, and the only male."

Another principle he learned is that a good transaction makes both sides happy and should be part of a good long-term relationship.

"When I was 17, I had a friend who was the junior javelin champion of Norway. His sports club had a lottery where the prize for selling the most tickets was a trip to Finland," he said. "He asked me to sell tickets for him and paid me half the price of the trip. Naturally, I sold the most and he won."

Today, the former teenage athlete is Mr. Breivik's lawyer.

Mr. Breivik maintains that a dealmaker has to be tough and decisive, and above all, get others to make commitments and decisions. His favorite device is "the put call."

"That's a price at which you say you are either ready to buy or sell. You agree to the procedure, you name the price, and then your negotiating partner is the one who feels he or she made the big decision," he explained.

Recently, Mr. Breivik made 4 million kroner, the single biggest profit on any transaction at the bank, using the put call.

"We were buying up nonlisted shares in a family company, one of those third-generation situations where the shares are scattered and no one is really interested in running the business personally anymore," he said. "It turned out there was another party doing the same.

"We collided in the middle and talked about what to do and then I offered a put-call price and they bought. They went off with their big block in the company and we made 4 million."

Mr. Breivik's interest in starting a new bank grew with his second job in banking as general manager of the new Oslo branch of Sunnmorsbanken, a medium-size provincial bank, in the early 1980s.

"I was already joking about starting a new bank, because I saw a lot of things could be done differently if profit was your only goal," he recalled. "I had a great success with the Sunnmorsbanken opening. The branch soon had assets of 1 billion kroner, several times the size of the Oslo operations of competing banks, but the idea of starting an entirely new bank remained in my head."

Mr. Breivik thought the main bottleneck to such an idea would be political — obtaining a government license. But a 1983 meeting with Rolf Presthus, who was then the finance minister, proved more positive than he had expected.

"He very much wanted competition in the banking industry, because as a lawyer, he had seen the inefficiency of banking," Mr. Breivik said. "On my way back from that meeting, I said you have to take the chance."

He started with 31 founding shareholders who put up 20 percent of the 75-million-kroner capital and 15 employees, "including some we were loaned from another bank."

The bank's first public share issue was oversubscribed several times and drew such crowds to places selling the shares that the event was shown on Norwegian television news, Mr. Breivik said.

If the bank has had a negative side, it's that the youthful staff has a high turnover, Mr. Breivik said. Moreover, not just youth and ambition, but the sheer speed of the growing operation have also taken their toll.

The bank director recalled trying to persuade a talented employee not to resign by pointing out that Bank of Oslo was way ahead of its five-year plan.

"Then she said, "It feels like I've been here five years, too,'," he recalled.

Mr. Breivik denies that he is a workaholic.

"I love skiing. I was helicopter skiing in the Canadian Rockies with my oldest son," Mr. Breivik said. Divorced, he has two sons, 16 and 11.

"In the summer, I live on my boat. On Sunday, I come back in and put on my suit, but I'm out on the boat again Friday afternoon," he said.

U.S. Panel Cites Subsidies for Canadian Wood

Compiled by Our Staff From Dispatches

NEW YORK — The U.S. International Trade Commission, by a 5-0 vote, has issued a preliminary decision that Canadian softwood lumber producers have been unfairly subsidized and have thus injured the U.S. lumber industry.

The Commerce Department has until Oct. 16 to decide whether to uphold the finding and determine the amount of damages. A similar case was rejected in 1982.

The ruling is a preliminary step in a process that could eventually place a 35-percent duty on the $2.6 billion in Canadian softwood lumber that crosses into the United States each year. The tariff, proposed by the U.S. industry, would jeopardize thousands of jobs in Canada, which supplies 33 percent of the U.S. market.

The ITC is an independent agency that investigates trade complaints and makes recommendations to the U.S. government. *(AP, UPI)*

REFORM: *Economic Boost?*

(Continued from first finance page)

grown so sluggishly in the last two decades, despite relatively high investment. But many think distortions caused by the current tax system have been an important contributing factor. The new tax bill should improve the effectiveness of investment.

The coming law is unlikely to increase American savings because it would not reduce federal budget deficits over time. Edward M. Bernstein, a guest scholar at the Brookings Institution, contends that the deficit's key problem is that it absorbs private savings and causes a deficiency of domestic savings relative to investment. That deficiency was $115 billion last year and is running at an annual rate of $135 billion this year.

CURRENCY MARKETS

Dollar Lower on U.S. Trade Data

Compiled by Our Staff From Dispatches

NEW YORK — A $14.2-billion U.S. trade deficit in May pushed the dollar lower Friday, and dealers said they were looking for additional downward pressure next week.

"Economic fundamentals are very weak. The trade deficit says gross national product is 2 percent to 2.5 percent," said Earl Johnson, vice president of Chicago's Harris Bank. "The dollar dipped below 2.20 marks Friday, and we look for it to head toward 2.15 next week."

In New York, the dollar closed at 2.2015 Deutsche marks, down from Thursday's close of 2.2160 DM; at 165.35 yen, down from 165.85; at 7.0200 French francs, down from 7.0690, and at 1.8015 Swiss francs, down from 1.8150.

The British pound also strengthened against the dollar in New York, closing at $1.5320, up from $1.5214.

The weaker dollar will be especially difficult for Japan, where Prime Minister Yasuhiro Nakasone's party faces tough elections on July 6.

London Dollar Rates

Closing	Fri.	Thu.
Deutsche mark	2.2053	2.2220
Pound sterling	1.5295	1.5190
Japanese yen	165.45	166.03
Swiss franc	1.8083	1.8207
French franc	7.0475	7.0793

Source: Reuters

"If the dollar starts moving down to the 160-yen level, we can expect to see the Bank of Japan intervening," Mr. Johnson said. "This would also increase the odds that Japan will cut its discount rate."

The Japanese central bank was reported to be intervening overnight in Tokyo, where the dollar dipped to 165 yen.

But Mr. Johnson said a Japanese rate reduction would not automatically be followed by a similar move by the U.S. Federal Reserve despite the fact that the weak economy called for lower rates.

"If the dollar stays at 2.19 marks the Fed might act, but if it falls to near the 2.10-mark level, the Fed might be afraid of a free-fall," he said.

The dollar, though lower across the board, was higher than low trading levels on positioning before of the weekend, dealers said.

In London, the dollar fell to as low as 2.2005 DM before recovering to end at 2.2053, down from 2.2220 at Thursday's close. It recovered from the day's low of 165.05 yen to close at 165.45 yen, down from 166.03 Thursday.

The British pound also gained, finishing in London at $1.5295, compared with $1.5190.

Earlier, in other European trading, the dollar was fixed in Frankfurt at 2.2164 DM, down from 2.2198, and in Paris at 7.0690 French francs, down from 7.0870.

It closed in Zurich at 1.8100 Swiss francs, down from 1.8173... *(UPI, Reuters, IHT)*

THE EUROMARKETS

Market Firmer; New-Issue Activity Is Slack

By Christopher Pizzey
Reuters

LONDON — The Eurobond market generally ended firmer Friday, with sectors boosted by hopes that Japanese buying of foreign bonds will soon increase, dealers said.

A report Thursday that Japanese trust banks are planning to relax the limit on foreign bond purchases by their loan-trust accounts from 1 to 3 percent was the main factor behind the improved sentiment, the dealers added.

Volume was low in the primary market, although two dollar straights were issued that met moderate demand, something that has not occurred for a while in the primary market.

Seasoned dollar-straight bonds generally ended ⅛ to ⅜ point firmer, with most of the gains occurring during the morning, dealers said. Prices were marked up as U.S. Treasury securities rose on the hopes of further Japanese buying.

One trader at a Japanese bank commented, "It'd be great if the Japanese started buying U.S. bonds in bulk again." He added that hopes were also rising that recent weak economic data out of Japan and the United States would prompt the authorities to cut interest rates.

He noted that many operators expect Japan to reduce its 3½-percent discount rate before the general election on July 6.

The day's first dollar straight was a $100-million bond for Eurofima that pays 7¾ percent over five years and was priced at 101⅞. Lead manager was Merrill Lynch Capital Markets, which quoted it at a discount of about 1¾, just inside the total fees of 1⅞ percent.

The other issue was a $100-million bond for Nordlb Finance (Curaçao) NV, a unit of Norddeutsche Landesbank Girozentrale. The five-year issue pays 8 percent and was priced at 101. The lead manager, Morgan Stanley International, quoted the issue at a discount of about 1⅞, right on the fees.

Two equity warrant transactions were also launched. Toyo Wharf & Warehouse Co. issued a $20-million bond with an indicated coupon of 3 percent and par pricing. The five-year bond was led by Nikko Securities Co. (Europe).

Nomura International Ltd. lead managed a $30-million bond for Chujitsuya Co. This five-year issue was also priced at par but has an indicated coupon of 2⅞ percent.

Euromobiliare International (Cayman Islands) issued a 20-million European currency unit convertible bond guaranteed by Euromobiliare SpA. The seven-year issue has an indicated coupon of 4 to 4¼ percent. It was priced at par.

The offering was led by Morgan Stanley International and finished comfortably above the issue price.

Friday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.
Via The Associated Press

12 Month High	12 Month Low	Stock	Div.	Yld.	Sales in 100s	High	Low	3 P.M.	Net Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

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c — liquidating dividend./1
cld — called./1
d — new yearly low./1
e — dividend declared or paid in preceding 12 months./1
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
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ww — with warrants.
x — ex-dividend or ex-rights.
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Lady of Light By Edward Marchese

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62 Love affair
63 Go to class
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66 Printing measures
67 Southwestern oaks
69 Bohemian to an extreme
71 Rubble
73 Mount where Aaron was buried
74 Farrow and Slavenska
76 Oil transport
78 ___ Lehmann, memorable soprano
79 John Duncan was one
80 See 58 Across
82 Analyzed
84 "All that is and ___ be": Sophocles
86 Restraints
87 School org.
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90 Sainted English scholar: 673-735
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97 ". . . my lamp beside ___": Lazarus
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107 Trumped
110 Infallible adviser
112 Void
114 Reach a goal
115 The statue's other name
119 More penetrating
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121 Express a view
122 Building wing
123 Noble British family
124 Pete Rose's team
125 Japanese alcoholic drinks
126 Shade of blue

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12 "Jerusalem Delivered" author
13 Hammer part
14 Votes in favor
15 "Our reliance is in the ___": . . . Lincoln
16 For all time, in poesy
17 Slept
21 A ___ (deductive)
23 Modigliani's "The Rose ___"
24 Ancient Greek coin
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30 Suffix with aster
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36 Ankle bones
37 Spanish dagger, e.g.
38 First name of a Ugandan exile
39 Completed
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49 Quantity to be appended
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64 These cannot be disputed
68 Pueblo Indian
70 Wedel
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77 X follower
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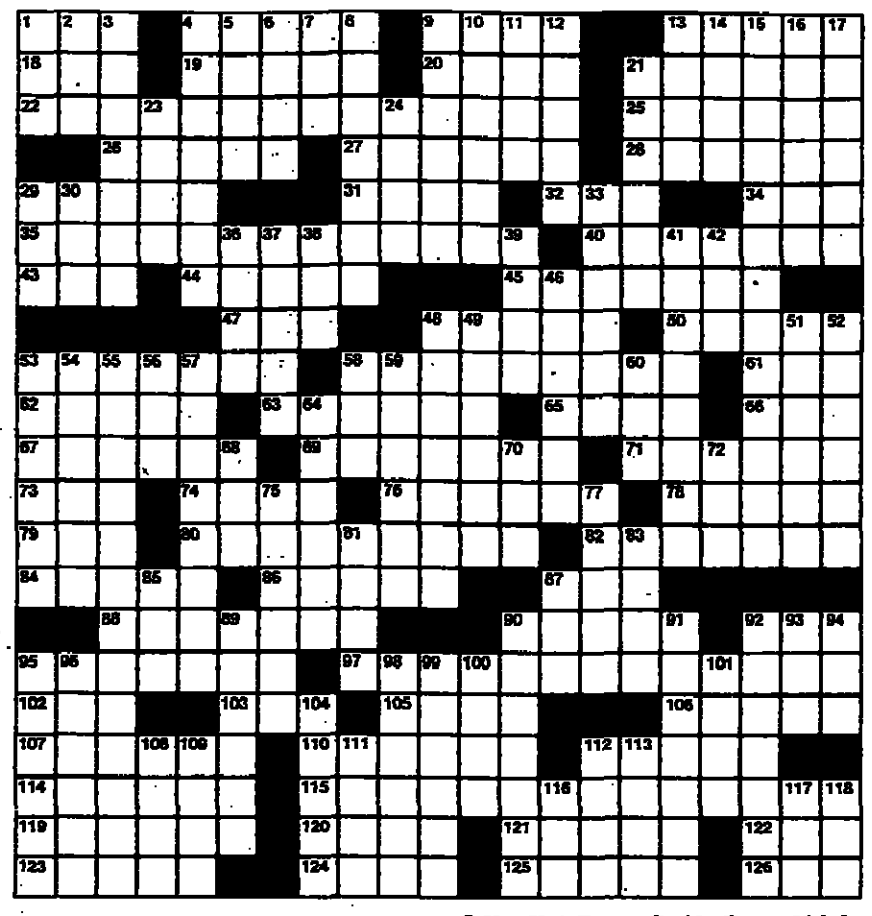
85 Fabulize
87 "___ Joey"
89 One who faces the music
90 Spanish dances
91 Auxiliary buildings
92 Large drinking vessels
93 Mawkish drivel
94 Leading Dadaist
95 Ship's planking
96 Decanted
98 Inflamed
99 What an aquafortist does
100 Forceful outburst
101 Arnaz
104 He painted "Maine Coast"
108 Sibelius was one
109 Arden and Queler
111 Lasso
112 SE Nigerian
113 Part of a chromosome
116 W.W. II org.
117 Wawaskeesh
118 Wily



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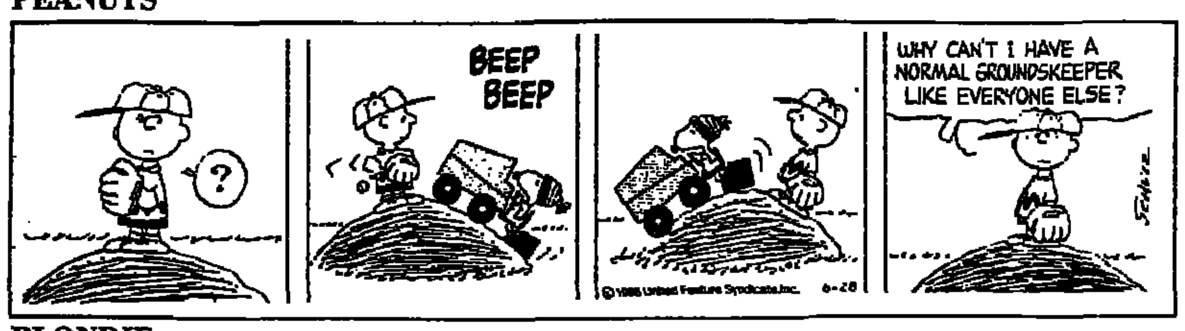
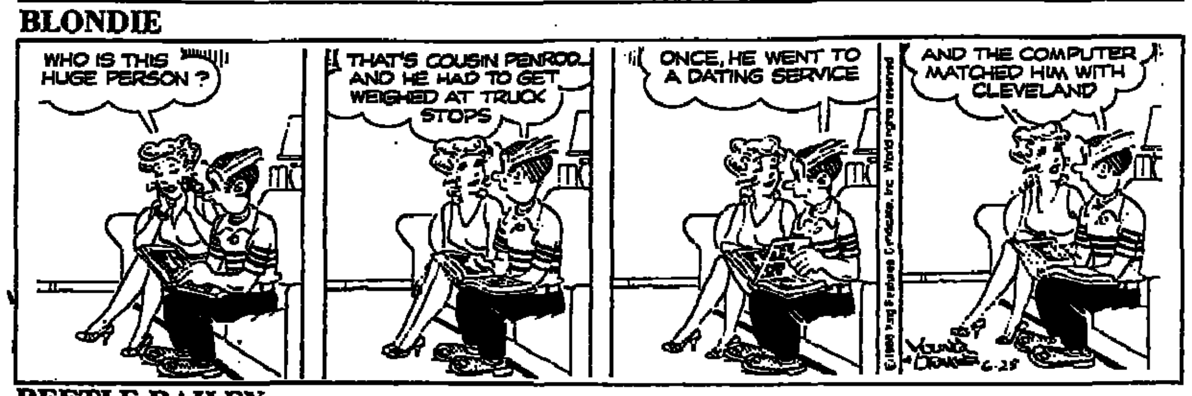
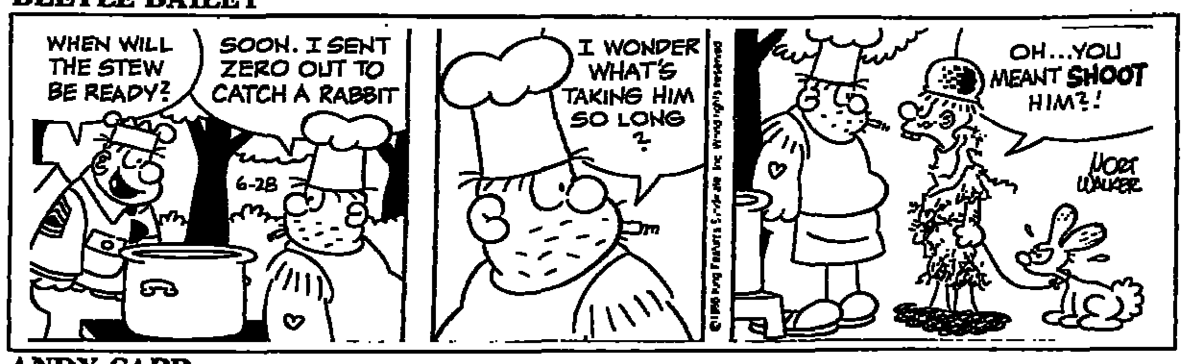
PEANUTS



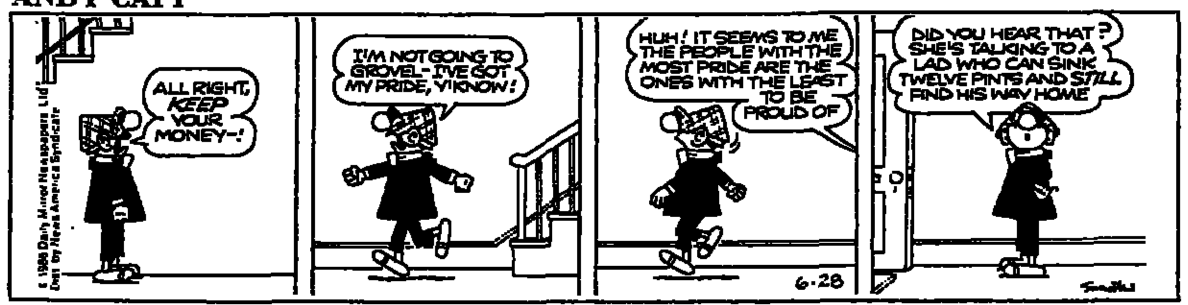
BLONDIE



BEETLE BAILEY

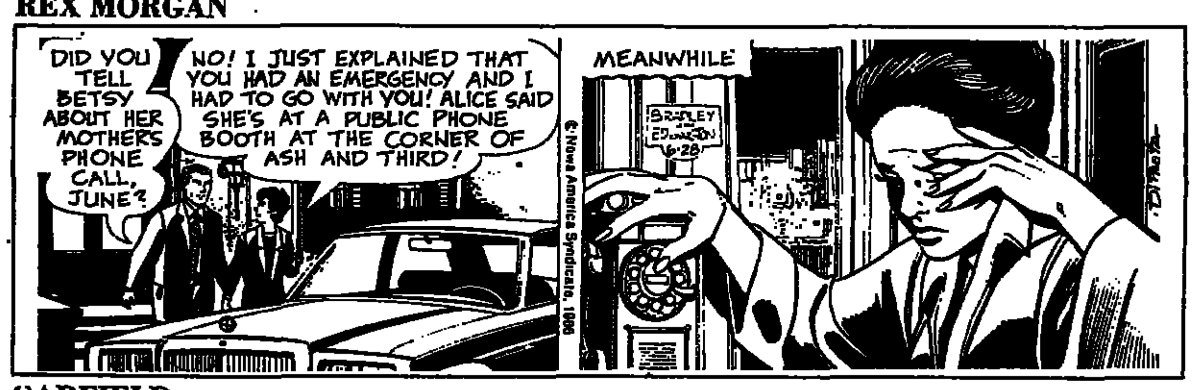


ANDY CAPP



WIZARD of ID

REX MORGAN



GARFIELD

BOOKS

E ORIGINALS: An A-Z of Fic-'s Real-Life Characters

William Amos. 614 pages. $19.95. Little, Brown, 34 Beacon Street, Boston, Mass. 6.

iewed by Jonathan Yardley

is the persistent belief among countless people ho read fiction that it is not really fiction at all, thinly disguised version of reality. Characters t arise in an author's imagination, they believe, re modeled on the author's family, friends, ves and enemies.

casionally, the author must acknowledge that eople do find their way into novels and stories, ot as infrequently as some authors would have lieve. The literary detective with time and nce can track many fictional characters back to roots in actuality. Often they are changed lly in the passage from life to fiction.

re can be no question that when it comes to ing in this interesting if trivial department, the e champion is William Amos. A magazine who lives in England's Lake District, he once d down the names of thirty characters and riginals"; 10 years later he had 3,000. most of which are to be found in "The Originals," a reference book that few are likely to use for reference but that many will read for pleasure and amusement.

Amos has collected all this arcana, but to his credit he does not take it too seriously. He knows that writers are telling the truth when they say the relationship between original inspiration and fictional character is often extremely slight, and he writes approvingly: "Forster, Huxley, Isherwood, Mauriac, Moravia and Powell — all have described their use of real people; and all have echoed the emphasis placed by Charlotte Brontë on reality's role in suggesting, never dictating events and characters."

"The Originals" is appealing not because anything in it really matters, but because it is simply fun. It is amusing to learn, for example, that A.A. Milne's Eeyore was based on a "strange, unlucky man" named Sir Owen Seaman, of whom Milne wrote that he had "not only the will to win but the determination to explain why he hadn't won. There is a story of him as a golfer, making an excuse for every bad shot until he got to the last green, when he threw down his putter and said: 'That settles it. I'll never play in knickerbockers again.'" On the other hand, amusing is not exactly the word for Ed Gein, prototype for Norman Bates in Robert Bloch's "Psycho":

"In 1957, police investigating the disappearance of a Plainfield widow acted on information that Gein's van had been seen near the woman's hardware store. At Gein's farm they found her hanging by her heels in a shed. She had been decapitated and 'dressed like a deer.' Her heart was discovered in a coffee-can on a stove. Nine death masks were found in the house, where chairs were covered with women's skins. Gein had killed two women, taking the remains of thirteen more from their graves. He died in a Wisconsin mental institution in 1984, aged seventy-seven."

A number of people have inspired more than one fictional character — among them Lord Balfour, W. Somerset Maugham, D.H. and Frieda Lawrence, Ezra Pound, Violet Hunt and Ernest Hemingway — but the most beguiling of these is little known outside the small world of foreign correspondents. He is Robert Hughes, a legendary Australian journalist who died two years ago; he inspired Ian Fleming to create Dikko Henderson in "You Only Live Twice" and John le Carré to invent Bill Craw in "The Honourable Schoolboy." Of the latter, Hughes said: "Craw works ten times as hard and far more effectively than I do. I must also insist that he drinks ten times as much as I, and takes far more interest in ladies than my stern Chinese wife allows me to. His grossly improper association with MI6 — or is it SIS? — is something of course completely beyond my ken."

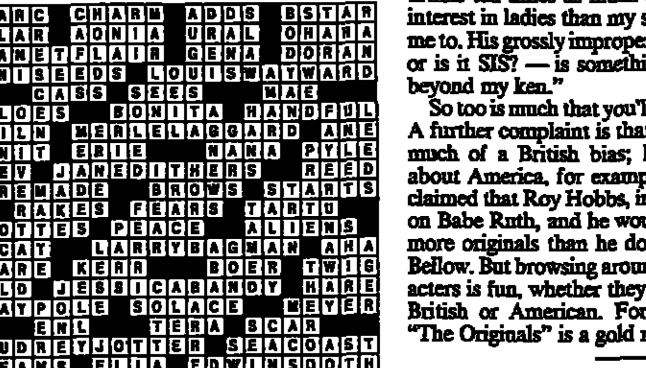
So too is much that you'll find in "The Originals." A further complaint is that the book has rather too much of a British bias; had Amos known more about America, for example, he never would have claimed that Roy Hobbs, in "The Natural," is based on Babe Ruth, and he would have identified many more originals than he does in the fiction of Saul Bellow. But browsing around through all these characters is fun, whether they be famous or unknown, British or American. For literary trivia mavens, "The Originals" is a gold mine.

Jonathan Yardley is on the staff of The Washington Post.

NNIS THE MENACE

"DAD TELLS IT LIKE IT IS, BUT MR. WILSON ALWAYS LS IT LIKE IT *WAS*!"

Solution to Last Week's Puzzle



WEATHER

OPE	HIGH C	HIGH F	LOW C	LOW F	
s	23	73	16	61	fr
rdam	28	82	17	63	fr
	29	84	22	72	fr
ena	28	82	18	64	fr
de	24	75	13	55	o
	28	82	15	59	fr
ls	28	82	15	59	fr
rest	22	72	13	55	cl
est	28	82	16	61	fr
agen	25	77	12	54	fr
Del Sol	27	81	21	70	fr
	17	63	13	55	o
rgh	21	70	12	54	fr
ce	30	86	20	68	fr
furt	30	86	14	57	fr
a	29	84	15	59	fr
ki	26	79	13	55	st
ol	23	73	15	59	cl
lmas	24	75	18	64	fr
	23	73	13	55	fr
	29	84	16	61	fr
l	33	91	16	61	fr
	31	88	22	72	fr
w	20	68	9	48	cl
l	26	79	10	50	fr
	30	86	22	72	fr
	26	79	17	63	cl
	34	93	20	68	fr
	26	79	18	64	fr
vik	11	52	9	48	o
	30	86	18	64	fr
olm	25	77	16	61	cl
burg	30	86	14	57	fr
	29	84	21	70	fr
	28	82	17	63	fr
w	25	77	10	50	cl
	27	81	13	55	fr
DLE EAST					
	22	72	8	46	cl
	—	—	—	—	na
cus	—	—	—	—	na
lem	—	—	—	—	na
iv	30	86	22	72	cl
ANIA					
nd	14	57	10	50	fr
	18	64	10	50	o

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	30	86	26	79	r
Beijing	25	77	20	68	fr
Hong Kong	30	86	28	82	o
Manila	31	88	28	82	o
New Delhi	31	88	29	84	o
Seoul	29	84	25	77	r
Shanghai	33	91	26	79	o
Singapore	29	84	23	73	r
Taipei	33	91	25	77	o
Tokyo	24	75	21	70	sh
AFRICA					
Algiers	31	88	21	70	fr
Cairo	34	93	22	72	fr
Cape Town	22	72	8	46	fr
Casablanca	24	75	18	64	cl
Harare	23	73	5	41	fr
Lagos	25	77	24	75	o
Nairobi	22	72	9	48	fr
Tunis	33	91	18	64	fr
LATIN AMERICA					
Buenos Aires	16	61	9	48	fr
Caracas	27	81	20	68	cl
Lima	18	64	16	61	o
Mexico City	24	75	21	70	cl
Rio de Janeiro	24	75	21	70	o
NORTH AMERICA					
Anchorage	17	63	7	45	fr
Atlanta	37	99	23	73	fr
Boston	27	81	16	61	cl
Chicago	32	90	21	70	pc
Denver	34	93	16	61	fr
Detroit	30	86	20	68	st
Honolulu	31	88	23	73	pc
Houston	32	90	24	75	pc
Los Angeles	28	82	16	61	pc
Miami	32	90	24	75	st
Minneapolis	31	88	22	72	pc
Montreal	16	61	8	46	pc
Nassau	24	75	15	59	cl
New York	30	86	19	66	pc
San Francisco	19	66	14	57	pc
Seattle	23	73	12	54	pc
Toronto	20	68	12	54	pc
Washington	32	90	21	70	fr

udy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; owers; sw-snow; st-stormy.

RDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Fair. Temp. (86—61). LONDON: Fair. Temp. 29—18 (84—64). MADRID: Fair. 33—16 (91—61). NEW YORK: Partly cloudy. Temp. 31—22 (88—72). Fair. Temp. 33—21 (91—70). ROME: Fair. Temp. 30—20 (86—68). VIV: NA. ZURICH: Fair. Temp. 27—14 (81—57). BANGKOK: Stormy. 33—26 (91—79). HONG KONG: Fair. Temp. 31—27 (88—81). MANILA: Temp. 28—24 (82—75). SEOUL: Stormy. Temp. 30—21 (86—70). PORE: Stormy. Temp. 31—28 (88—82). TOKYO: Foggy. Temp. 25—21 0).

World Stock Markets

Via Agence France-Presse June 27

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	589	595
ACF Holding	342	339
Aegon	108.30	109.30
Akzo	167.70	167.50
Ahold	89	89.10
Amev	90.50	90.30
A'Dam Rubber	11.70	11.75
Amro Bank	106.60	107.50
BVG	222.50	220
Buehrmann T	194	190
Calend Hlds	17.50	17.50
Elsevier-NDU	204	204.50
Fokker	93.50	93.50
Gist Brocades	294.90	293.60
Heineken	167.50	167.70
Hoogovens	112.50	112.20
KLM	48.30	48.40
Naarden	55	53
Nat Neder	85.90	86.20
Nedlloyd	176.30	177
NMB	195	196.50
Oce Vander G	507	506
Pakhoed	54.20	54
Philips	52.80	53.60
Robeco	93.70	94.20
Rodamco	140.50	140.80
Rolinco	86.30	86.50
Rorento	50.50	50.70
Royal Dutch	201	201.90
Unilever	484.50	483.50
Van Ommeren	36.40	36.80
VMF Stork	312	309
VNU	325	329

ANP.CBS Gen'l Index : 291.50
Previous : 291.20

Brussels

	Close	Prev.
Arbed	2995	3040
Bekaert	11350	11350
Cockerill	140	138
Cobepa	4325	4360
EBES	4450	4400
GB-Inno-BM	7380	7480
GBL	3160	3200
Gevaert	6800	6800
Hoboken	7400	7400
Intercom	3600	3630
Kredietbank	14450	14600
Petrofina	8460	8600
Soc Generale	6010	6040
Sofina	10025	9990
Solvay	7890	7900
Traction Elec	5680	5680
UCB	8200	8060
Unerg	2720	2745
Vieille Montagne	5890	5900

Current Stock Index : 3480.52
Previous : 3688.96

Frankfurt

	Close	Prev.
AEG	304	308
Allianz Vers	2415	2390
Altana	394.50	389
BASF	267	279.50
Bayer	297	290.10
Bay. Hypo bank	550	555
Bay Vereinsbank	546	535
BBC	330	309
BHF-Bank	511	504
BMW	597	585
Commerzbank	309	307.20
Conti Gummi	277	274.20
Daimler-Benz	1394	1350½
Degussa	443	430
Deutsche Babcock	195	192
Deutsche Bank	783	777.50
Dresdner Bank	421.50	414.50
Harpener	365	356.50
Henkel	417	414.50
Hochtief	1005	1005
Hoechst	267	263.50
Hoesch	175	183
Horten	192	183
Hussel	530	522
IWKA	270.50	287.50
Kali + Salz	244	247
Karstadt	351	339.80
Kaufhof	444	446
Kloeckner H-D	241	229.90
Kloeckner Werke	82	85.50
Krupp Stahl	160	161.10
Linde	685	685
Lufthansa	198.50	208
MAN	217	217
Mannesmann	212	211
Muench Rueck	2890	2855
Nixdorf	582	568
PKI	854	822
Porsche	1027	1030
Preussag	190	189
PWA	230	232
RWE	215.50	211.50
Rheinmetall	380.50	385
Schering	560	560
SEL	380	354
Siemens	634	632.50
Thyssen	163	163.50
Veba	278.50	279.50
Volkswagenwerk	535.50	535
Wella	750	755

Commerzbank Index : 1951.60
Previous : 1928.10

Hong Kong

	Close	Prev.
Bk East Asia	17.90	17.80
Cathay Pacific	5.54	5.35
Cheung Kong	20.60	20.40
China Light	15.50	15.70
Green Island	7.80	7.80
Hang Seng Bank	34.25	34.25
Henderson	2.125	2.125
China Gas	15.00	15.50
HK Electric	8.80	8.80
HK Realty A	10.80	10.40
HK Hotels	36.25	35.50
HK Land	5.70	5.65
HK Shang Bank	6.75	6.80
HK Telephone	11.70	11.70
HK Yaumatei	2.925	2.975
HK Wharf	6.85	7
Hutch Whampoa	29	28.90
Hysan	0.49	0.48
Jardine	12.50	12.40
Jardine Sec	12.20	12.10
Kowloon Motor	8.60	8.65
Miramar Hotel	3.675	3.625
New World	6	6.10
SHK Props	12.20	12.30
Stelux	1.71	1.72
Swire Pacific A	12	11.90
Tai Cheung	1.98	1.95
Wing On Co	1.25	1.35
Winsor	8.40	8.45
World Int'l	2.425	2.425

Hang Seng Index : 1730.96
Previous : 1758.20

Johannesburg

	Close	Prev.
AECI	1175	1175
Anglo American	4750	4775
Anglo Am Gold	23500	23500
Barlows	1818	1820
Blyvoor	1875	1875
Buffels	7850	7950
De Beers	2740	2770
Driefontein	5450	5700
Freegold	3250	3400
GFSA	4350	4450
Harmony	3325	3450
Hiveld Steel	695	700
Kloof	2450	2400
Nedbank	618	620
Rusplat	3680	3650
SA Brews	1050	1050
St Helena	4250	4350
Sasol	720	730
Welkom	2125	2125

Composite Stock Index : 1494.50
Previous : 1581.60

London

	Close	Prev
AA Corp	$10½	$10⅝
Allied-Lyons	363	358
Anglo Am Gold	$55½	555
Ass Brit Foods	316	316
Asda-MFI Gp	138	140
Barclays	517	507
Bass	823	810
B.A.T.	401	403
Beecham	418	406
BL	54	54
Blue Circle	630	626
BOC Group	306	307
Boots	244	244
Bowater Indus	336	338
BP	585	588
Brit Telecom	222	224
Brit Aerospace	518	523
Britoil	166	166
BTR	310	316
Burmah	409	418
Cable Wireless	695	698
Cadbury Schw	183	184
Charter Cons	270	270
Commercial U	306	308
Cons Gold	632	631
Cookson Group	500	503
Courtaulds	300	290
Dalgety	280	280
De Beers	633	642
Driefontein	$12½	$12¾
Fisons	610	608
Free St Ged	$7⅝	$7⅝
GEC	216	216
Gen Accident	830	839
GKN	374	275
Glaxo	10¼	10 11/32
Grand Met	417	410
GRE	889	877
Guinness	333	328
GUS	13⅝	13⅝
Hanson	174	175
Hawker	561	569
ICI	996	981
Imperial Group	372	372
Jaguar	540	531
Land Securities	339	340
Legal General	271	270
Lloyds Bank	389	367
Lonrho	255	249
Lucas	598	595
Marks and Sp	197	196
Metal Box	765	760
Midland Bank	539	534
Nat West Bank	519	509
P and O	516	516
Pilkington	410	408
Plessey	230	232
Prudential	862	852
Racal Elect	198	192
Randfontein	$67½	$67½
Rank	512	517
Reed Intl	977	987
Reuters	581	581
Royal Dutch £	53 13/64	53 19/64
RTZ	599	597
Saatchi	780	760
Sainsbury	386	390
Sears Holdings	124½	124
Shell	800	805
STC	146	148
Std Chartered	794	789
Storehouse	328	315
Sun Alliance	692	694
Tate and Lyle	603	598
Tesco	363	370
Thorn EMI	464	464
T.I. Group	544	540
Trafalgar Hse	292	291
THF	166	168
Ultramar	180	188
Unilever £	17 13/64	16 29/32
United Biscuits	244	246
Vickers	470	473
War Loan 3½ £	39⅝	39⅝
Woolworth	730	760

F.T.30 Index : 1354.40
Previous : 1353.10
F.T.S.E. 100 Index : 1638.50
Previous : 1637.50

Milan

	Close	Prev.
Banca Comm	23500	24000
Cigahotels	4990	5049
CIR	11970	12690
Cred Ital	3500	3570
Eridania	5080	5190
Farmitalia	13900	14500
Fiat	11700	11915
Generali	122450	126250
IFI	23310	24400
Italcementi	70900	70500
Italgas	3099	3000
Italmobiliare	173300	176000
Mediobanca	210000	225000
Montedison	3292	3370
NBA	3500	3505
Olivetti	15430	16300
Pirelli	5110	5220
RAS	48800	50700
Rinascente	1018	1041
SIP	3490	3503
SME	2390	2470
Snia	5150	5205
Standa	12600	12800
Stet	5100	5490

MIB Current Index : 1490
Previous : 1534

Paris

	Close	Prev.
Air Liquide	765	778
Alsthom Atl.	420	426
Av Dassault	1205	1160
Bancaire	1064	1077
BIC	590	599
Bongrain	1768	1785
Bouygues	1130	1160
BSN-GD	3675	3720
Carrefour	2950	2965
Chargeurs	1079	1080
Club Med	547	530
Darty	3085	3000
Dumez	1290	1348
Elf-Aquitaine	298	306
Europe 1	1324	1336
Gen Eaux	1286	1315
Hachette	2700	2800
Lafarge Cop	1281	1310
Legrand	3800	3790
Lesieur	1041	1080
l'Oreal	3410	3550
Martell	1433	1465
Matra	2290	2280
Merlin	3190	3200
Michelin	2810	2790
Moet Hennessy	2080	2090
Moulinex	85	86.20
Occidentale	986	986
Pernod Ric	1101	1131
Perrier	709	720
Peugeot	889	900
Printemps	551	555
Radiotechn	908	900
Redoute	1729	1740
Roussel Uclaf	1485	1495
Sanofi	710	706
Skis Rossignol	1240	1225
Telemecan	2990	2990
Thomson CSF	1360	1385
Total	382	382

CAC Index : 355.16
Previous : 358.76

Singapore

	Close	Prev.
Cerebos	3.36	3.44
Cold Storage	2.96	3.06
DBS	6.65	6.70
Fraser Neave	7.30	7.30
Haw Par	2.74	2.77
Hume	2.12	2.15
Inchcape	2.10	2.14
Lum Chong	0.93	0.955
Malayan Banking	4	3.94
OCBC	7.35	7.25
OUB	3	2.98
OUE	2.32	2.31
Shangri-la	2.72	2.73
Sime Darby	1.57	1.57
S'pore Airlines	7	7.05
S'pore Land	3.80	3.48
S'pore Press	7.40	7.45
S Steamship	1.14	1.15
St Trading	2.99	2.98
UOB	4.04	4
United Overseas	1.14	1.13

Straits Times Ind Index : 752.34
Previous : 756.02

Stockholm

	Close	Prev.
AGA	195	198
Alfa Laval	328	330
Asea	380	378
Astra	680	690
Atlas Copco	217	216
Beijer	190	190
Boliden	214	210
Electrolux	275	268
Ericsson	257	255
Esselte	560	N.Q.
Fermenta	166	169
Handelsbanken	402	402
Pharmacia	223	220
Saab-Scania	790	790
Sandvik	185	198
Skanska	155	157
SKF	345	348
SwedishMatch	400	395
Volvo	405	405

Affaersvaerlden Index : 667.30
Previous : 665.30

Sydney

	Close	Prev.
ACI	3.50	3.53
ANZ	4.82	4.88
BHP	8.50	8.46
Boral	4.48	4.50
Bougainville	2.45	2.42
Coles Myer	5.30	5.32
Comalco	2.25	2.22
CRA	6	6.10
CSR	3.25	3.18
Dunlop	3.35	3.38
Elders Ixl	4.62	4.75
ICI Australia	2.60	2.65
Magellan	1.05	1.15
MIM	2.06	2.05
Nat Aust Bank	5.56	5.60
News Corp	20	20.30
N Broken Hill	1.85	1.92
Poseidon	3.12	3.10
Qld Coal Trust	1.60	1.65
Santos	3.78	3.80
Thomas Nation	3.30	3.25
Western Mining	2.95	3.04
Westpac Banking	4.80	4.80
Woodside	0.92	0.90

All Ordinaries Index : 1183.70
Previous : 1190.10

Tokyo

	Close	Prev.
Akai	490	505
Asahi Chemical	850	841
Asahi Glass	1310	1310
Bank of Tokyo	790	793
Bridgestone	706	725
Canon	1020	1010
Casio	1510	1530
C.Itoh	560	546
Dai Nippon Print	1910	1920
Daiwa House	1450	1500
Daiwa Securities	1590	1600
Fanuc	6670	6650
Fuji Bank	1570	1570
Fuji Photo	2990	3020
Fujitsu	950	960
Hitachi	862	863
Hitachi Cable	965	965
Honda	1170	1160
Japan Air Lines	10000	10010
Kajima	890	912
Kansai Power	2580	2630
Kawasaki Steel	181	186
Kirin Brewery	1450	1490
Komatsu	492	490
Kubota	368	374
Kyocera	4220	4120
Matsu Elec Inds	1470	1470
Matsu Elec Works	1370	1400
Mitsubishi Bank	1520	1550
Mitsubishi Chem	787	803
Mitsubishi Elec	364	365
Mitsubishi Heavy	402	397
Mitsubishi Corp	859	860
Mitsui and Co	503	518
Mitsukoshi	1230	1260
Mitsumi	1100	1080
NEC	1530	1510
NGK Insulators	935	935
Nikko Sec	1150	1190
Nippon Kogaku	1070	1070
Nippon Oil	1190	1200
Nippon Steel	175	178
Nippon Yusen	421	435
Nissan	597	595
Nomura Sec	2200	2220
Olympus	1190	1160
Pioneer	2260	2280
Ricoh	902	900
Sharp	980	979
Shimazu	1070	1090
Shinetsu Chemical	1170	1170
Sony	3380	3380
Sumitomo Bank	1840	1830
Sumitomo Chem	410	420
Sumitomo Marine	955	940
Sumitomo Metal	160	165
Taisei Corp	561	580
Taisho Marine	838	844
Takeda Chem	1610	1630
TDK	3710	3790
Teijin	530	548
Tokio Marine	1300	1350
Tokyo Elec. Power	4040	4130
Toppan Printing	1520	1520
Toray Ind	636	639
Toshiba	440	445
Toyota	1570	1590
Yamaichi Sec	1150	1190

Nikkei 225 : 17508.43
Previous : 17600.95
New Index : 1350.14
Previous : 1357.64

Zurich

	Close	Prev.
Adia	6875	6650
Alusuisse	690	700
Autophon	7700	7600
Bank Leu	3525	3500
Brown Boveri	1850	1850
Ciba Geigy	3540	3525
Credit Suisse	3720	3720
Electrowatt	3475	3400
Interdiscount	5150	5150
Jacob Suchard	8375	8380
Jelmoli	3450	3500
Landis Gyr	1950	1820
Moevenpick	6725	6750
Nestle	8350	8375
Oerlikon-B	1830	1850
Roche Baby	11100	11300
Sandoz	1720	1700
Schindler	3800	3750
Sulzer	620	600
Surveillance	6350	6350
Swissair	1540	1580
SBC	539	539
Swiss Reinsurance	3350	3100
Swiss Volksbank	2490	2480
Union Bank	5680	5675
Winterthur	6600	6600
Zurich Ins	7600	3350

SBC Index : 635.70
Previous : 634.50

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto — June 26

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
14300	Abiti Prce	$24⅞	24½	24½	−¼
2400	Agnico E	$22⅛	21¾	21¾	−½
57411	Alt Energy	$11⅛	10⅝	10½	−½
2000	Alta Nat	$12½	12½	12½	−¼
31605	Algoma St	$15⅝	15⅝	15⅝	
10309	A Barick	$14⅝	14¼	14¼	+¼
24600	Atco I f	$8⅝	8¾	8¾	−⅛
120214	BCED	395	385	390	
1556	BP Canada	$28½	28½	28½	
138530	Bank BC	315	300	315	
249838	Bank N S	$16⅝	16	16¼	+⅛
1200	Baton	$24	23½	24	+¼
10000	Bonanza R	156	156	156	
20300	Bralorne	160	155	155	−5
22000	Bramalea	$23	22⅝	22½	−½
300	Brenda M	$8¼	8¼	8¼	
307013	BCFP	$14⅞	14½	14⅝	−⅛
21517	BC Res	138	135	135	−1
8811	BC Phone	$27¼	27⅛	27⅛	
854	Brunswk	$14¼	14¼	14¼	
288345	CAE	$11⅝	11¼	11⅝	
266	CCL A	$19	19	19	−½
74379	CCL B f	$18⅞	18½	18⅞	+⅛
19505	Cad Frv	$23	22	22⅛	+⅛
80930	Campeau f	$28½	28	28⅞	+⅞
82101	C Nor West	$15½	15	15½	+½
5325	C Packrs	$48¼	45½	48	+2½
700	Can Trust	$50½	49	49	−1½
182843	CI Bk Com	$18¼	18	18⅛	
139341	CTire A f	$15⅛	14⅝	15	+⅜
200	C Util B	$18⅝	18⅝	18⅝	
1450	Cara	$32	31¾	32	
17165	Celanese	$17⅝	17½	17½	−¼
1100	Celan 175 p	$20⅝	20½	20⅝	−¼
5950	Centrl Tr	$21	20½	21	−½
89024	Cineplex	$21⅞	21½	21½	+¼
107175	C Distb A	$7⅛	7⅛	7⅛	−⅛
102500	CDistb B f	$7⅛	6⅞	6⅞	−¼
13000	CTL Bank	$10⅝	10⅝	10½	
8200	Coseka R	110	105	106	−4
3000	Conron A	$17½	17¼	17¼	−½
7700	Crownx	$32¼	32⅛	32⅛	−¼
900	Czar Res	130	130	130	
13219	Denison A p	$6⅞	6⅞	6⅞	
116544	Denison B f	$6⅝	6½	6½	
19600	Develcon	340	340	340	+5
1000	Dicknsn A f	$7½	7¼	7½	+⅛
1500	Dicknsn B	$7½	7½	7½	+⅛
164946	Dofasco	$28⅞	28½	28⅞	
1700	Donohue	$25⅛	25	25	
650	Du Pont A	$33½	33½	33½	+⅛
55325	Dylex A	$18⅝	18	18¼	−¼
1712	Elcthom X	$12	12	12	
3398	Emco	$30	29¾	30	+¼
1600	Equity Svr	410	400	405	+5
8400	FCA Intl	$17½	17	17	
357	C Falcon C	$18½	18½	18½	
138550	Ficnbrdge	$21¼	20⅞	21	−¼
50080	Fed Ind A	$18	17¼	17⅞	+½
500	Fed Pion	$30	30	30	
800	F City Fin	$15⅞	15½	15¾	−⅛
200	Gendis A	$20⅞	20⅞	20⅞	+⅜
40376	Geac Comp	$5⅝	5⅝	5⅝	+⅛
2300	Gibraltar	$9⅞	9⅞	9⅞	
15500	Goldcorp f	$6¼	6⅛	6¼	
300	Grafl G	$23	23	23	
11200	GL Forest	$24	23⅞	23⅞	
20	Gt Pacific	$39	39	39	−1
4875	Greyhnd	$26⅜	26⅜	26⅜	
1030	H Group A	460	460	460	
720	Hawker	$27⅝	27⅝	27⅝	
18403	Hayes D	$14½	14⅞	14⅞	+⅜
26660	Hees Intl	$35	34⅝	35	+⅜
605	Hollingr I	$23½	23½	23½	−½
3200	H Bay Co	$28⅝	28⅝	28⅝	−¼
56084	Imasco	$35⅝	34⅝	35⅝	+⅝
2000	Indal	$16¼	16¼	16¼	−¼
200	Inglis	$21½	21½	21½	−1½
5831	Inland Gas	$11⅞	11⅜	11⅜	
424	I Corona p	$20⅝	20½	20½	−½
10850	Intl Thom	$11⅞	11⅜	11⅜	−⅛
6481	Intpr Pipe	$43¼	43	43	−¼
171	Ipsco	$9½	9½	9½	−⅛
55	Ivaco B	$23⅝	23⅝	23⅝	+⅛
6810	Jannock	$28¼	28	28	
2200	Kelsey H	$26	26	26	−¼
675	Kerr Add	$15⅝	15⅝	15⅝	+¼
61252	Labatt	$23	22⅝	22⅝	+¼
1600	LOnt Cem	$25	24¼	24¼	−⅜
7575	Loblaw Co	$13¾	13½	13½	−¼
164139	Lumonics	$15½	15⅛	15¼	−¼
51730	Magna A f	$34½	34¼	34¼	
987	MDS H A	$17⅞	17⅝	17⅝	+⅛
72117	MICC	$7¼	6⅞	7¼	+½
51500	Mclan H X	$19⅝	19½	19⅝	
4100	Maritime f	$15½	15⅝	15½	
4000	Merland E	179	179	179	+2
12371	Molson A f	$29½	29	29	−⅛

		High	Low	Close	Chg.
596	Molson B	$29	29	29	
8000	Nabisco L	$41	40¾	40¾	
262678	Noranda	$18½	18⅛	18¼	−⅛
2415	Norcen	$13¼	13¼	13¼	−⅛
169816	Nva AltA f	495	480	490	+10
2856	Nowsco W	$11	10⅞	11	+1⅛
41459	NuWst sp A	32	29½	30	
5385	Oakwood	266	250	250	−16
264580	Omnibus o	$7	6¼	7	+⅝
21501	Oshawa A I	$21⅞	21¼	21¼	
47310	Pac W Airln	$16⅛	15⅝	16⅛	+⅜
27780	PanCan P	$24½	24¼	24½	
200	Pembina	$15	15	15	+½
216911	Placer	$25⅜	24⅝	24⅞	−⅛
2458	Que Sturg o	440	440	440	+5
21750	Rayrock f	$6	5⅝	6	+⅛
2931	Redpath	$27	26¾	26¾	+¼
600	ReedSt I Sp	$53⅞	53⅞	53⅞	−⅛
625	Rogers A	$24¼	24¼	24¼	−⅛
170	Roman	$9	9	9	
300	Rothmon	$39½	39	39	
11445	Sceptre	265	262	265	+3
18300	Scotts f	$38⅝	38½	38⅝	+⅛
227648	Sears Can	$15	14½	14⅞	+⅜
2723	SHL Systm	$25⅛	25	25	−½
100	Selkirk A f	$23¾	23¾	23¾	−⅛
15445	Shell Can	$23⅝	22½	22⅝	−½
85120	Sherritt	$6⅝	6½	6⅝	−⅛
5500	Slater B f	$14½	14⅞	14½	
82981	Southam	$24½	24	24½	+⅛
72516	Spar Aero f	$26	25	25	−1⅛
23768	Stelco A	$25¼	24⅞	25	+⅛
5000	Sulpetro	40	40	40	+1
200	Teck Cor A	$23	23	23	
7954	Teck B f	$22⅞	22⅞	22⅞	+¼
7558	Tex Can	$28	27⅝	27½	−¼
90325	Thom N A	$32	31¾	32	+¼
64540	Tor Dm Bk	$23½	23⅛	23⅜	+¼
3366	Torstar B f	$32½	32⅛	32⅛	−⅜
1512	Traders A f	$48¾	48	48	−1
1700	Trns Mt	$13¼	13¼	13¼	−⅛
5100	Trinity Res	55	55	55	
27477	TrnAlta UA	$28⅛	28	28	
739245	TrCan PL	$16¼	16	16¼	+⅛
10398	Trimac	235	220	225	+10
49197	Triton A	$33⅝	33½	33⅝	
3500	Trizec A f	$39	39	39	+⅛
17900	Turbo	49½	48½	49½	+1
64075	Unicorp A f	$10	9⅞	9⅞	+⅛
255	Un Carbid	$16⅞	16¾	16⅞	−⅛
7439	U Enterise	$12	11⅝	11⅝	
850	U Keno	$7½	7⅝	7½	
750	Versti A f	265	260	260	
2800	Vestgron	45	40	40	−10
3450	Wardair	$15½	15¼	15½	
7261	Weldwod	$21¼	21¼	21¼	−⅛
7700	Westmin	$7¾	7½	7½	−⅛
14137	Weston	$33½	33⅛	33⅛	−½
1726	Woodwd A	$6⅝	6¼	6¼	

Total sales 18,031,496 shares

	Close	Previous
TSE 300 Index:	3,068.80	3,068.20

Montreal — June 26

Sales	Stock	High	Low	Close	Chg.
78861	Bank Mont	$32⅞	32½	32⅝	+⅛
425	BombrdrA	$21⅝	21¼	21¼	
16100	BombrdrB	$21¼	20⅞	21	
1600	CB Pak	$27⅛	27⅛	27⅛	+⅛
125195	Cascades	$16½	15½	15⅞	−⅛
300	CIL	$29½	29½	29½	−¼
23586	ConBath	$24	23¾	23¾	−⅛
5819	DomTxtA	$22½	22¼	22½	+⅛
5120	MntTrst	$26⅝	26	26	−¼
52441	NatBk Cda	$27¼	27⅛	27¼	
138401	Noverco	$12	11¾	11¾	−⅛
253850	Power Corp	$19⅝	18⅝	19⅝	+⅜
6000	Provigo	$20¼	20⅛	20¼	
800	RollandA	$29½	29½	29½	
38038	Royal Bank	$32¼	32	32⅛	
11450	RayTrstco	$32	31½	31½	−¼
61435	SteinbrgA	$43½	43	43⅝	+⅛

Total Sales 5,271,519 shares.

	Close	Previous
Industrials Index:	N.A.	1,425.79

Sports News, Page 6

George Abbott, Mr. Broadway, on the Road to 100

By Marilyn Berger
New York Times Service

NEW YORK — George Abbott opened on Broadway in 1913, 1916, 1918, 1920, 1923, 1924, 1925, 1926, 1927, 1928, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1957, 1958, 1959, 1960, 1961, 1962, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1973, 1976 and 1983.

Now, at 99, he's getting ready to do it again.

The man who is known to just about everyone in the theater as Mr. Abbott celebrated his 99th birthday Wednesday. In three weeks he will fly to Los Angeles to direct Natalia Makarova once again in "On Your Toes," a show he wrote when he was only 49.

This year, he wrote a new play and rewrote one of his old ones. The new play is about Count Dracula, has the working title "Irwin," and calls for a rock music score. The old one is a reworking of "Broadway," his first big hit, which he is turning into a new-wave musical. And who will direct it? Mr. Abbott, of course.

This is the same Mr. Abbott who opened on Broadway in 1913 as an actor and stayed on to become a Broadway legend as Mr. Abbott the playwright, Mr. Abbott the producer, Mr. Abbott the director and Mr. Abbott the play doctor.

There is also Mr. Abbott the professor. At a luncheon given last month in his honor by the New Dramatists Guild, Richard Adler, who was a young, untried composer when he was given a chance in 1954 to do "Pajama Game," paid a tribute to what he called the "George Abbott University." Among the graduates — the beneficiaries of what Mr. Abbott calls his "Pygmalion complex" — were Paul Muni, José Ferrer, Shirley MacLaine, Butterfly McQueen, Jean Stapleton, Carol Burnett, Harold Prince, Jerome Robbins, Bob Fosse, Garson Kanin, Betty Comden, Adolf Green, Steven Sondheim, and a musician then unknown to Broadway by the name of Leonard Bernstein.

Mr. Abbott, the Broadway legend, in the '20s; today.

Christopher Little

Just to mention some of the few Abbott successes is to write a virtual history of Broadway in the last century — "Jumbo," "Pal Joey," "High Button Shoes," "Where's Charley?" "Call Me Madam," "Wonderful Town," "Pajama Game," "On Your Toes," " "Damn Yankees," "Fiorello," "A Funny Thing Happened on the Way to the Forum."

Somerset Maugham once said, "Old age is ready to undertake tasks that youth shirked because they would take too long." He could have been talking about George Abbott, who did his most recent writing at his home in Miami — between rounds of golf. "Lousy golf. Nine holes from the ladies' tee at the moment," he said. And he swims quite a bit to exercise a hip made stiff from surgery. He uses a cane — "It's a wonderful defense. You never have to get up or be polite and people don't bump into you." Nevertheless he still dances — he's famous for his rumba, his tango and a mean mambo and meringue — "but I have to be careful not to lose my balance."

Retirement is not something he thinks about. "I mean I've had a lot of chances where it felt awfully good to sit in an easy chair, not to have to do anything, but I'd hate not to have a job of some kind. I hate all those soupy titles they give old people. You know — 'senior citizens' and all that stuff."

He may not see himself as a senior citizen, but he is a great-grandfather of what he calls "two little bitsies — three and one, I guess." Does he get a kick out of the children? "No!" He does get a kick out of being married, though. "I'm enjoying my life completely. I never liked marriage so much." He married his third wife, Joy Valderrama, three years ago. She was 50 and they had known each other for 25 years. The producer and director Harold Prince, who is an Abbott protégé, calls Joy life-giving. "She's the biggest 'upper' you could meet," he said.

Prince went to see Mr. Abbott for the first time 38 years ago to ask for a job. "I had a notion that he looked like Billy Rose. Then he walked into the office and he was Gary Cooper. He always walked tall and talked straight." They have pretty much relied on one another ever since. When Mr. Abbott sent his two new scripts to Prince from Florida this year he allowed that "the odds against a 98-year-old man writing a hit are pretty long." Mr. Abbott is a master of bringing his fantasies to the stage, but he is a realist too. "What I think Hal would like to have said was, 'Needs work.'"

What Prince did say, in fact, is that the plays were "quite good." Ever since he came to Broadway, Mr. Abbott was never afraid of failure. It's inevitable for a man who has done 123 shows to have failure here or there. "I forget them quickly, on purpose," he said.

He also said he had always tried not to get too elated about success, except, perhaps, for "Broadway," which remains special because it was his first smash hit, in 1926. "I knew it was a sensation, and I was perfectly sure I'd never have a big hit again like that as long as I lived." George Abbott went on to win a Pulitzer Prize, six Tony awards, the Kennedy Center lifetime achievement award, two honorary doctorates and virtually every theatrical medal ever struck.

Now he's reviving "Broadway" with no intention of making his first big hit his last. "It's about a club where they had a line of girls and the booze came in teacups. The play was too tight a melodrama to work as a traditional musical where you have a scene and then a song. But the idea of doing it like 'Evita,' where the characters sang the words, allows you to sing your story, as it were."

Prince said an Abbott show was very identifiable — for its clarity, brevity, pacing and honesty. "One of George's favorite words" — Prince is virtually the only person on Broadway who calls him 'George' — "is 'peppy'. Pep is what he brings to a show."

His preference is for actors who are young, even unknown. "Besides saving money, it saves wear and tear on the nervous system," he once said.

"I think subconsciously he must know that years and years of working with people who are young has kept him young," said Prince. "He's wise enough to know there is something he can give them that they can probably not get from a lot of people. And at the same time they can give him something, which is a sense of contemporaneity, some sense of the present."

Among the directors in today's theater, Mr. Abbott likes Mike Nichols. "You know how you can tell a good director?" he asked. "How good is the butler? You know what I mean? If the small parts are good, the director is good. If the main part's good, maybe it's the actor, maybe it's the director."

Scene from first big Abbott hit, "Broadway," 1926.

Mr. Abbott was sitting in his small office near Radio City. It is unadorned by theater memorabilia except for several volumes of the "Best Plays" of years gone by, an unused "Fiorello" ashtray (no one would dare smoke in his presence) and a drawing of Lillian Gish, an old friend. He was wearing an Ultrasuede sport jacket, blue shirt, and navy and red striped tie, a change from the almost formal dark suit and tie he always wore when he was directing; it made him look more like a stern Puritan preacher than a Broadway showman. "Styles have changed," he said. "Now people come to the theater in their undershirts trying to look like Don Johnson."

Last month he had some advice for the New Dramatists: "If you want to be adored by your peers and have standing ovations wherever you go, then just live to be over 90." But how to live to be over 90? He drinks very little, eats lightly, and says he has always gotten a certain amount of exercise.

"A lot of it is in not being too subjective, in not taking yourself too seriously. If a show fails, it fails. There's no sense in going to the wailing wall and hitting yourself on the head," he said.

And how to live to be over 90 with continuing creativity? "Well, I enjoy my work so much that I'm never bored. If I have to wait for something, I can think about some show I'm working on. I think, 'Why doesn't some character do something different?' It's fun to work. It's a shame to be paid for it!"

PEOPLE

Sport Aid Falls Short

Citing a huge shortfall in expected contributions, UNICEF has acknowledged that the May 25 Sport Aid fund-raising event has brought in only $15 million so far. For three weeks following Sport Aid, UNICEF had reported that the international run to raise money for African famine victims had generated an estimated $100 million. "We have a bit of a problem," said **Kristina Scheffinski**, public information officer for the United Nations Children's Fund. Hands Across America, a U. S. event held the same day, has grossed twice as much as Sport Aid, latest figures from the USA for Africa Foundation indicate. **Ken Kragen**, USA for Africa president, said Hands Across America appeared to have earned more than $30 million, with more than $8 million in pledges outstanding. Sport Aid's creator, **Bob Geldof**, told the Los Angeles Times in a June 18 report on the two events that Sport Aid had brought in only a fraction of the $100-million figure that UNICEF officials kept citing. Sport Aid funds are to be evenly divided between UNICEF and Geldof's Live Aid Foundation.

□

On the day that **Bob Dylan** played his first home-state concert in eight years, the City Council of Duluth, Minnesota, decided it didn't want to name a street after the city's most famous native son after all. A few hours before Dylan opened a concert in Minneapolis, the council, which had voted 6-3 to consider renaming Harbor Drive as Bob Dylan Drive, voted 6-2 to reverse the decision. Dylan was born Robert Allen Zimmerman on May 24, 1941, in Duluth. His family moved to Hibbing, 70 miles away, when he was 6. . . . In an interview in Rolling Stone magazine, Dylan assails U. S. policy on Central America and Libya, and criticizes "America first" rock stars. "I'm not particularly into this 'American' thing, this **Bruce Springsteen-John Cougar** 'America first' thing," Dylan said. "I feel just as strongly about the American principles as those guys do, but I personally feel that what's important is more eternal things."

□

Frank Sinatra recently had two growths removed from his colon, but a spokeswoman for the singer said she did not know if they were malignant or benign. "He told us today that he's never felt better," said the publicist, **Susan Reynolds**. "That's all I can tell you, because that's all he told us." She said Sinatra, 70, was expected to make his summer concert appearances, including July 3 for the Statue of Liberty centennial.

□

An ice cream company in Oakland, California, has taken out a $250,000 insurance policy on the taste buds of **John Harrison**, its premier ice cream taster, who says his job is a lot like savoring wine. "It's the bouquet," said Harrison, who has been a taster for Dreyer's Grand Ice Cream for five years. "It's the fine quality that lingers at the back of your mouth."

□

A painting of **Mick Jagger**'s naked behind by the society photographer **Cecil Beaton** has been bought for £950 (about $1,425) at a London auction by **Jonathan Clark**, an art dealer, who said: "It was a steal." He had been ready to pay up to five times that amount for the rear-view portrait of the rock singer, he said. The mostly green picture was painted by Beaton in 1967, when he met the Rolling Stones in Morocco, where the rock group was on holiday. Beaton took a number of photographs of Jagger, but it is not known if the singer actually posed for the painting. Beaton gave it to a friend, **David Herbert**, a relative of the **Earl of Pembroke**, from whose collection the painting came.

□

An 11-year-old boy whose family fled Vietnam five years ago and a Pennsylvania girl who comes from a family of champions have won the 63d National Marbles Tournament at Wildwood, New Jersey. **Giang Duong** of Upper Darby, Pennsylvania, survived a comeback effort by **Shawn Jackson**, 12, of Drexel Hill, Pennsylvania, to win the boys' best-of-21 final match 11-7. **Darlene Schwartz**, 12, of Berks County, Pennsylvania, became the third national marbles champion in her family when she defeated **Shellie Jamison**, 11, of Reading, Pennsylvania, 6-2 in their best-of-11 final match. Jamison's brother **Joe**, 15, won the boys' division last year.

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TODAY ON PAGE 8

TODAY ON PAGE 8

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ANNOUNCEMENTS

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